FBIS DAILY REPORT

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LABOR LEADER SAYS STRIKE MESSAGE CENSORED

PY232136 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1300 GMT 23 Jan 86

[Text] Buenos Aires, 23 Jan (NA) -- Saul Ubaldini, head of the General Confederation of Labor [CGT], has accused the government of censoring television stations to prevent the broadcasting of a message to "inform the people" about the reasons for tomorrow's general stoppage. In a press conference, Ubaldini said that the Secretariat of Public Information [SIP] today (for yesterday) decided to forbid broadcasting this message as a commercial on channels 9 and 13 of the capital.

Meanwhile, the SIP asserted that the decision to prohibit CGT's short commercial "is based on a difficult and controversial legal interpretation." In a concise communique made public at Government House last night, the SIP did not specify the legal reasons that allegedly justified the refusal to broadcast the CGT message. The communique stated that "this decision absolutely does not represent an act of censorship" of the union leaders and the CGT.

The communique, signed by SIP Operations Secretary Nestor Rodriguez Cross, said that "in regard to the accusation by the CGT about the nonbroadcast of the short message by the television channels, this prohibition is based on a difficult and controversial legal interpretation." "However, this is not an act of censorship, because the union leaders and Mr Ubaldini himself have been able to repeatedly refer to the stoppage called for next Friday in the newscasts," the communique adds. It asserts that "the national government respects the right to strike and the freedom of work. Consequently, it will not adopt in its communication media any attitude which might restrict these rights." "Once again, this attitude shows the equanimity prevailing in the communications media administrated by this secretariat," the communique concluded.

SIP Chief Takes Responsibility

PY232220 Buenos Aires Domestic Service in Spanish 1600 GMT 23 Jan 86

[Excerpt] Juan Radonjic, head of the Public Information Secretariat [SIP], today assumed all responsibility for not permitting the broadcast of the message of the General Confederation of Labor [CGT] on tomorrow's work stoppage to be broadcast through the official television channel. Radonjic made these statements in a press conference, and added that his attitude reflected a political decision by the government. It should be recalled that the CGT attempted to have this message broadcast on television channels 13 and 9 of this capital. Radonjic explained that the decision not to broadcast the CGT message was, in the case of the private television station, made by its executive board. In the case of the state-owned station, he gave the order himself. [passage omitted]

Public Transit Guaranteed

PY231055 Buenos Aires TELAM in Spanish 1850 GMT 22 Jan 86

[Text] Buenos Aires, 22 Jan -- The government will guarantee the security of the public transportation service throughout the country on 24 January when a 24-hour strike is scheduled. This has been officially announced.

Under provisions of Decree No 88, security forces will cooperate, as necessary, to prevent disturbances or incidents involving people, facilities, or vehicles, and maintain public service for transportation of goods and passengers during the strike on Friday 24 January. The decree, signed by President Raul Alfonsin, was released this afternoon by the Government House.

GRAIN, EQUIPMENT DEAL WITH SOVIETS INITIALED

PY232011 Buenos Aires DYN in Spanish 1338 GMT 22 Jan 86

[Text] Buenos Aires, 22 Jan (DYN) -- According to an agreement initialed by Foreign Trade and Industry Secretary Roberto Lavagna and Soviet Foreign Trade Deputy Minister Viktor Ivanov, the Soviet Union will buy from Argentina a minimum of 4.5 million tons annually of fodder cereals and soybeans over the period 1986-1990. The same agreement commits Argentina to buy industrial equipment worth $500 million from the USSR. The final signing of the agreement -- the second of this type between the two countries -- will take place in Moscow during the 3-day visit by Foreign Minister Dante Caputo and his delegation of 28, 29, and 30 January.

In a press conference last night, Roberto Lavagna said: "This agreement is substantially more important to the country than that of the 1980-1985 period, if we consider that the international competition within the grain market today is unfavorable to us." He added that the EC for example, in the last few years, has become a strong competitor against traditional grain-selling countries. Regarding the purchases Argentina will make, Lavagna explained that "details will be decided during the next few months." He added that the deal includes two of the four turbines to be used at the hydroelectric complex of Piedra del Aguila, together with railroad equipment and oil industry equipment.

Regarding the annual payment terms for the proposed $500 million purchases, Lavagna explained that $70 million will be paid in 1986, about $100 million in each of the next 3 years, and about $130 million will be paid in 1990. Soviet Deputy Minister Viktor Ivanov said that "our country is not offering Argentina products that Argentina does not need or products that will unfairly compete with local industry." He added: "We have good experience in the energy equipment and turbine fields, and we want to share this experience with you." During the initialing ceremony, Secretary Lavagna was accompanied by Lucio Reca, his counterpart of the agriculture, livestock and fishery secretariat; Jorge Cort, head of the National Grains Board; and Jorge Campbell, trade under secretary.

BRIEFS

AGREEMENT WITH CZECHOSLOVAKIA -- Buenos Aires, 22 Jan -- The Argentine foreign minister and the ambassador of Czechoslovakia today signed an agreement for bilateral cooperation in the cultural and scientific fields. This agreement is part of the Permanent Consultation and Information System that was established in June 1984 during the visit of the Czechoslovak Foreign Minister Bohuslav Chnoupek. [Excerpt] [Buenos Aires DYN in Spanish 1241 GMT 22 Jan 86 PY]

1985 GRAIN SHIPMENTS -- Buenos Aires, 11 Jan (DYN) -- According to the National Grains Board the volume of grain and by-products shipped during 1985 amounted to 27,931,088 tons, surpassing by 3.3 percent the previous record reached in 1983 and by 14.3 percent the amount shipped in 1984. [Summary] [Buenos Aires DYN in Spanish 1333 GMT 11 Jan 86 PY]

PAZ REVIEWS PROGRESS ON COCA REDUCTION

PY221157 Madrid EFE in Spanish 1629 GMT 21 Jan 86

[Text] La Paz, 21 Jan (EFE) -- President Victor Paz Estenssoro has stated that the reduction in coca cultivation that is being implemented in Bolivia will permit Bolivia to improve its foreign relations, particularly with the United States. The chief of state was expressing his satisfaction with a decision made by settlers to form a commission with the government to review "the voluntary reduction in the production of coca leaves." This plan is part of a program being conducted against drug trafficking by the government with the support of the United States in reducing coca cultivation. Coca is the raw material used to produce cocaine. The burning of coca fields has started in the Chapare area of Cochabamba Department, which is considered a drug trafficking stronghold. The campesinos receive $350 for every hectare destroyed. However, according to agrarian leaders, this sum does not compensate the peasants for the losses they suffer.

Peasant sectors opposed to the plan have provoked conflicts with the authorities and have confronted the "Leopards" and the "Pumas", police groups specialized in antidrug operations, headquartered in Chapare. The Confederation of Bolivian Settlers, which has a membership of 600,000 peasants, and the National Association of Coca Farmers (Anrpoca), which has 70,000 members, agreed "to negotiate the plan for reducing coca cultivation" in several areas during a meeting held yesterday with President Paz. Confederation of Bolivian Settlers Executive Secretary Elias Lopez has stated that "the government is asking us to reduce our crops, which are our means of living. In turn, it is only fair that the government provide us with potable water, electrical power, schools, hospitals, and roads and improve the subhuman living conditions prevailing in the countryside."

BEDREGAL DISCUSSES NEW POST, SEA OUTLET

PY240246 La Paz Cadena Panamericana in Spanish 0000 GMT 24 Jan 86

[Text] In a speech after his installation, Foreign Minister Guiliermo Bedregal said that the parameters outlined by the government concerning international matters are translated into clear-cut actions within a Latin American and pro-Third-World context.

[Begin Bedregal recording] I believe that concrete actions will mark our foreign policy guidelines, namely our ties with the world, our zealous watchfulness over our border problems, our territorial sovereignty problems, our economic sovereignty, and our staunch Latin American and pro-Third-World position. Concerning this change, we have some basic concepts. Yesterday, I expressed some of them and now, amid the fraternal atmosphere of this ancestral home, I want to reflect with you, Foreign Ministry officials and our friends, on what foreign policy should be in order to honor the work and efforts of Dr Gaston Araoz and his assistants, and to be consistent with the course charted by our leader, the president of the Republic. In the first place, we must, once again, profess this nation's willingness to live in peace, to live amid the nations with the dignity pertaining to a nation made up of free men, without fear, without misery, without that tremendous uncertainty provoked by crisis. [end recording]

Afterward, the Foreign Minister agreed to talk with the press and the issue that was discussed concerned the sea outlet.

Here are Bedregal's statements:

[Begin Bedregal recording] I believe that to make a statement at the time when [words indistinct] is not appropriate. However, we believe, I personally believe, that the solution of this Latin American problem is a multilateral solution. On this point [words indistinct] the multilateral character of hemispheric organizations, regional organizations, and the need to establish channels and contacts concerning a problem that from (?every) point of view is being understood and basically concerns three countries. [end recording]

Concerning the alleged resumption of diplomatic ties with Chile, Bedregal said that this issue will be of vital importance. Asked whether he believed in the possibility of resuming the diplomatic ties, however the foreign minister answered that he only believes in God Almighty.

[Begin recording] [Unidentified reporter] Do you believe there is a possibility that our ties with Chile will again... [Bedregal, interrupting] I only believe in one thing. I believe in God Almighty. [end recording] These were the statements Foreign Minister Guillermo Bedregal made shortly after he took office.

BEDREGAL, LABOR LEADER HOLD TV DEBATE

PY170119 La Paz Cadena Panamericana in Spanish 0000 GMT 17 Jan 86

[Text] Planning and Coordination Minister Guillermo Bedregal Gutierrez has held a television debate with Juan Lechin Oquendo, the leader of the Bolivian Labor Confederation. Guillermo Bedregal also attended today the meeting of the MNR [Nationalist Revolutionary Movement] held today at Government Palace. He talked with Radio Panamericana upon leaving Government Palace about the debate held with Juan Lechin Oquendo.

[Begin recording] It was a civilized debate. [Words indistinct] [end recording]

The debate [words indistinct] will continue on 21 January. This station asked Minister Bedregal if he believes that the government economic policies will really be discussed the next debate.

[Begin recording] I believe that the problem arises from [words indistinct] the questions and the time limitations. [Words indistinct] get to an agreement with the moderator so that the questions are more specific. I believe I gave a general picture that shows the different positions, of what is true and what is not true. [end recording]

In conclusion, Minister Bedregal said that the first television debate with Juan Lechin Oquendo was positive.

Debate Prompts Investigation

PY231946 Paris AFP in Spanish 1414 GMT 23 Jan 86

[Text] La Paz, 23 Jan (AFP) -- It was reported here today that the Bolivian Chamber of Deputies has decided to investigate the charges of Bolivian Labor Confederation (COB) leader Juan Lechin Oquendo against the former planning minister and current foreign minister, Guillermo Bedregal, concerning an official purchase amounting to $1 million. This decision was made after Lechin claimed that Bedregal had not actually purchased a shipment of butter for the Mining Corporation of Bolivia (COMIBOL) even though the full amount for the purchase had been disbursed.

Juan Lechin Oquendo hurled this serious charge on 21 January during a TV debate broadcast by La Paz Channel 9. Lechin said that his source was Deputy Edwin Rodriguez, of the ruling Nationalist Revolutionary Movement. (MNR).

INTERIOR MINISTER SEES LABOR SITUATION DETERIORATING

PY230239 Paris AFP in Spanish 0019 GMT 23 Jan 86

[Text] La Paz, 22 Jan (AFP) -- Interior Minister Fernando Barthelemy today stated that the labor situation is getting worse because of the overall situation of the country and the workers' protests and strikes. The minister, who told the press that he had been confirmed in his post by President Victor Paz Estenssoro, pointed out that the government cannot oppose the strike that the Bolivian Labor Confederation (COB) has ordered. He added, however, that the people will not be deprived of basic services, and stressed that public administration will have to operate because public servants' labor unions are not recognized. Barthelemy said the Cabinet shuffle was necessary in order to seriously address the current crisis. The COB, meanwhile, has confirmed the launching of its plan of struggle that will begin with a 24-hour strike on 23 January, and urged all Bolivian labor unions to hold meetings, demonstrations, and rallies in order to discuss and reject the government's economic and social plan. COB leader Walter Delgadillo reported that only urgent and emergency services will operate, including international air transportation.

Warning Issued on Strike

PY231807 La Paz Cadena Panamericana in Spanish 1130 GMT 23 Jan 86

[Text] The Interior Ministry says that it will not permit any disorders today, Thursday. In a communique released last night, the ministry says that it will prevent any attempt to damage public or private property, using all the powers available to it according to the law. The ministry also warns that no public servant may be absent from work today, because the Constitution does not recognize trade unions among public servants.

Union Leaders Arrested

PY240112 Paris AFP in Spanish 2355 GMT 23 Jan 86

[Text] La Paz, 23 Jan (AFP) -- Americo Trino, a member of the COB, reported here today that civilian agents of the Interior Ministry today arrested several leaders of the oil and communications workers unions, while they were holding meetings at the places where they work. The workers meetings were being held to express support for the 24-hour general strike by the COB demanding that the government act on its demands for wage increases, work stability, and changes in economic policy. Walter Delgadillo, the COB's secretary general, has reported that the 24-hour national strike is the first step in the struggle against hunger and misery. He also stated that the strike is being observed with discipline throughout the country. He praised the marches, demonstrations, and the meetings of the workers, employees, teachers, and other sectors in several areas of the city, and he charged that the government has threatened to fire those who obey the COB's order to strike. Marches are being carried out in the main streets of this city. One group of marchers tried to get into the main plaza, where Government House is located, but is was repelled by the police with tear gas.

Strike 'Virtual Failure'

PY231937 La Paz Cadena Panamericana in Spanish 1700 GMT 23 Jan 86

[Excerpts] The strike decreed by the national meeting of the [COB] is being partially observed in La Paz, and, according to COB reports, it is general and orderly in the interior. In La Paz, public servants went to work normally, and in the case of the National Telecommunications Enterprise, a general assembly was suppressed and several participants were detained, as were Bolivian Government Oil Deposits [YPFB] union leaders Arturo Lopez and Hernando Valdeviesos, according to a charge made by YPFB union leader Oscar Pineiros. The public servants justify the nonobservance of the COB strike with the statement that they have been intimidated by the government. The strike among the La Paz factory workers is general. This morning assemblies were held, which were attended by COB leaders.

We now contact the interior of the country. Our correspondent in Cochabamba city reports that, as of this newscast, the strike decreed by the COB has virtually failed. According to his report, banks, businesses, and public administration are working almost normally, as is public transport, which is not COB-affilliated. [Begin relay from Cochabamba] The decision of the COB to declare a 24-hour strike has met with failure here, because the march called by the Departmental Labor Federation for 0900 was not attended by the necessary number of workers. It did not start until 1100, and only a small number of workers participated. According to labor leaders, public servants and private business employees had received threats, so they could not attend the march. [end relay] This was the report from Cochabamba city. The strike decreed by the COB national meeting was a virtual failure.

BRIEFS

OIL COMPANY'S DEBT -- According to Bolivian Government Oil Deposits [YPFB] sources, the accumulated debt of this company reached $158 million on 31 December 1985. Most of the debt is owed to the IDB and other international organizations, but part of it is owed to private banks. It was reported that this year YPFB will pay off $31 million of the principal and $24 million in interest. The government plans to renegotiate YPFB's debts, together with those of other state companies when renegotiating the Bolivian foreign debt with international banks. [Summary] [La Paz PRESENCIA in Spanish 7 Jan 86 p 9 PY]

SARNEY, BETANCUR CHANGE LOCATION OF MEETING

PY230149 Rio de Janeiro O GLOBO in Portuguese 22 Jan 86 p 1

[Text] The Brazilian and Colombian Governments have decided to change the venue of the meeting between President Jose Sarney and President Belisario Betancur from Tabatinga, the border city initially chosen, to Manaus. In the note announcing the change of location, Itamaraty said that Manaus offers better logistics. The chief of the military cabinet, Ruben Bayma Denys, confirmed the information made public by Itamaraty. Foreign Ministry sources admitted that several factors, including access difficulties and security questions, had been considered.

SETUBAL ENDORSES RESIGNATIONS, TO RUN FOR OFFICE

PY231848 Sao Paulo Radio Bandeirantes Network in Portuguese 0130 GMT 23 Jan 86

[Text] The proposal of a mass resignation of the current Cabinet has been defended again by Foreign Minister Olavo Setubal. In statements made today at (Cumbicas) Airport in Sao Paulo, Setubal said he would leave the Foreign Ministry to run as a candidate in the next elections for Sao Paulo governor. He said that a mass resignation of the Cabinet on 15 February will give President Sarney the freedom to choose his closest aides.

GOVERNMENT PLANS SATELLITE TRACKING SYSTEM

PY212342 Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Jan 86 p 24

[Excerpt] In May 1987 Brazil will be the first country in the Southern Hemisphere to possess a system capable of locating lost ships and planes within hours. This will be possible thanks to a transmitter that has been under development since 1984 by researchers of the National Institute of Space Research (INPE), in Cachoeira Paulista, 197 km northeast of Sao Paulo. The rapid operation of this new scientific equipment is possible through the use of remote-sensing search satellites -- the Sarsat (International Search and Rescue Satellite System) that can be operated in cooperation with France, Canada, and the United States and the Cospas of the Soviet Union. These systems can receive signals from a transmitter which detects and locates areas where aircraft and ship accidents took place and send them to one or more land-based receivers.

Brazil's participation in the Sarsat/Cospas program is the final phase of implementation. Meanwhile, the Canadian Government made available to the INPE of Cachoeira Paulista a receiving station that should be in operation next year. But, considering the size of Brazilian territory, other stations are needed to facilitate the reception of signals from the satellites.

According to researcher Jose Luis de Barros Aguirre, 36, head of the Development Department of Instrument Systems of the INPE, the participation of Brazil in that program, which will soon be approved by the Brazilian Commission of Space Activities (COBAE) will bring great scientific and economic benefits. He pointed out that "because of our large territorial size, scant population, and the extent of our territorial sea, participtation in this program will reduce the cost of search and rescue of aricrafts and ships involved in accidents."

CNEN PRESIDENT OUTLINES NUCLEAR RESEARCH

PY151625 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Jan 86 p 7

[By Jose Roberto Arruda]

[Text] While the official nuclear program continues to experience difficulties and to suffer from a serious financial crisis, the parallel, or autonomous program, as President of the National Commission for Nuclear Energy [CNEN] Rex Nazare Alves prefers to describe it, is doing very well in its attempt to try to master the complete fuel cycle, including uranium enrichment and reprocessing.

Classified as a supersecret subject until now, Nazare has spoken about this subject for the first time. The key to the strategy of this program is its diversification. This CNEN program employs 3,000 nuclear experts, physicists, chemists, engineers, and other specialists. Nazare explained that he is obtaining good results because he has managed to convince businessmen that nuclear energy will be a great business for them.

The program does not envisage any great commissions or exaggerated plans. The CNEN selected the chemistry, metallurgy, and informatics industries that may become interested in obtaining some of the technology developed in the CNEN analysis superlaboratories installed in the Aeronautics Technological Center in Sao Jose dos Campos, the Institute for Nuclear Energy Research [IPEN] in Sao Paulo, and the Nuclear Technology Development Center in Belo Horizonte.

The radioisotope production and research programs for the medicine, industry, and agriculture fields, as well as the fact that the CNEN studies and controls 2,325 private and state companies that in some manner deal with nuclear products, have formed a structure that has allowed this independent organization to undertake a parallel nuclear program.

When in 1981 the Brazilian Government started doubting the effectiveness of the nuclear program envisioned and negotiated by Shigeaki Ueki and Paulo Nogueira Batista during President Geisel's administration, and considering the great uncertainty that the uranium enrichment technology sold by Germany represented and still represents, the alternative was to trust in the CNEN capability to develop other national techniques in the fuel cycle field.

The parallel program, which started in 1982, has already mastered the uranium hexafluoride (UF-6) production technology at the IPEN in Sao Paulo. Moreover, it is conducting research programs in all other areas of the fuel cycle. According to Nazare, the secret lies in decentralizing, debureaucratizing, and relying on private enterprise. Nazare said: "You have to call businessmen, convince them that nuclear energy can be a big business, and get them hooked on the program. The CNEN selects specific national companies, most of which are small and medium-sized, with an affinity or capacity to participate in a specific sector. Then the CNEN appoints its nuclear technicians to work on the development of specific products or research programs inside these selected companies. They use the laboratories of these companies for various experiments. Thus, these companies make a substantial contribution to cutting costs."

Once the product has been developed and the technology is mastered, the CNEN receives a small income as royalty (between 2 and 5 percent), and the company develops the product at the industrial level.

Nazare noted that the fuel cycle needs to be fully mastered in order to be able to run research reactors and to guarantee the production of radioisotopes, which in turn will be used in other areas. He added that energy is merely one of the many sectors in which nuclear energy can be used and that since the other areas in which it can be used are essential to the national economy, it is an effort that must be shared by the whole of society.

The CNEN president said that in addition to developing the technology to produce uranium hexafluoride, the IPEN, in cooperation with private enterprise, has already developed all the equipment and material necessary to produce this gas at the industrial level. Electronic equipment -- which is important for the production of robots and equipment needed for the handling of radiated material -- is being developed by the CNEN and passed to the private sector in those areas of larger consumption, such as in the case of multi-analyzers, preamplifiers, digital counters, feeding modules, and fluorimeters.

Nazare noted that in the area of mastering research reactors, important and technologically advanced equipment such as detectors, ionization chambers, which measure radiation, and proportional counters have been produced locally. In addition, Brazil will now be able to develop other technologies to export manufactured products rather than only nuclear raw materials.

As an example, Nazare mentioned beryl, a mineral existing in large deposits in Brazil which used to be exported at $90 or $100 per ton. Now it is refined and sold as beryllium carbonate [carbonato de oxido], which is sold at $300 per kilo. Some of the other technologies passed to the private sector include the production of organic solvent (tribatyl phosphate), trioctyl phophinoxic, crystallized magnesium, and zirconium oxide of nuclear or ceramic grade, among others. Considering the multiplying effect, Nazare did not want to predict when Brazil will master the fuel cycle with national technology. However, by his smile one can be assured that Brazil has found the way.

BRIEFS

TRADE BALANCE SURPLUS -- Finance Minister Dilson Funaro has announced in Brasilia that the Brazilian trade balance for 1985 showed a $12.45 billion surplus. This is below the $13,089 billion registered in 1984. In 1985 Brazilian exports amounted to $25,639 billion and imports $13,189 billion. [Summary] [Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 Jan 86 p 1 PY]

JAPAN TO BUY ALCOHOL -- Wills Banks, export director of the Sugar and Alcohol Institute, yesterday disclosed that there are plans to sell alcohol to Japan at 10 percent less than the established price. [Summary] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Jan 86 p 28 PY]

SUMMER TIME POSTPONED -- President Sarney today signed a decree prolonging daylight-saving time until 0000 29 March in the effort to save electrical energy, which may have to be rationed due to severe drought. [Summary] [Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 22 Jan 86 PY]

LIBERALS REJECT AGREEMENT WITH AD, MDP

PY232127 Santiago LA TERCERA DE LA HORA in Spanish 18 Jan 86 p C 3

[Text] The Liberal Party [PL], yesterday reiterated its rejection of an agreement between the forces of the Democratic Alliance [AD] and the Popular Democratic Movement [MDP] because it feels that the Communist Party's [PCCh] strategy does not seek to reestablish free coexistence in Chile. In a public declaration delivered by PL President Gaston Ureta, the PL refers to the debate the party will continue holding next week on whether to consider the MDP's proposal to form a single opposition. He said that "the PL will continue to reject an agreement with such a bloc until it moves toward a more democratic method of struggle."

Ureta added that "the PCCh's position seeking the elimination of the military regime by force provides a splendid argument to President Pinochet. If the military power, as a consequence of the National Security Doctrine, has declared war against Marxism, it will logically need an enemy to confront. If the PCCh joined the nonviolent dissidence instead of confronting the regime, the internal war in Chile would cease, and the military intervention in government would lose much of its reason for being."

The PL declaration also says: "The PCCh strategy is not intended to reestablish free coexistence in Chile; and to interpret this as an anticommunist position would be regrettable. Liberalism as a culture has never restricted the freedom of thought. Therefore, it does not condemn political ideas but it does condemn behavior that opposes a free and democratic system of government."

"We want to stress that there is no identity crisis in any of the political groups of the AD. The reason for our struggle is democracy. In the specific case of Chile, anyone who favors insurrection is not helping in the effort to recover public freedoms. There is an undeniable agreement in the AD on this issue. If there were not, the country would not trust the democratic opposition bloc" as it does, the PL declaration states.

It adds: "We are likewise sure that the leftist sectors are aware that when socialism triumphs by a popular uprising, the consolidation of that revolution is always defended by the weapons of the PCCh, which in the long run dominates the process completely. Those who then live under this new system and wish to express their opinion with knowledge from the inside, may no longer question, abolish, or even escape from the system. This is why we believe that revolution and democracy are two ideas that clash."

The declaration concludes. "These beliefs make us vote against any agreement with the MDP. The internal discussions of the Democratic Alliance on this topic will be very helpful -- it will act as a reaffirmation of the bloc's confidence in its ability to help build effectively the free government Chile demands and to confirm its commitment to the National Accord. We liberals believe that the accord carries within itself the moral value of the Chilean people's sovereignty, and no one can suppress this right."

ARGENTINE SUPPORT FOR 'SUBVERSIVES' QUESTIONED

PY232328 Paris AFP in Spanish 1404 GMT 23 Jan 86

[Text] Santiago, 23 Jan (AFP) -- Official sources today reported that Chilean authorities would like to know more details about the support Argentine organizations might be giving to the outlawed Chilean Communist Party in order to stimulate subversion against General Augusto Pinochet's regime.

Argentine Interior Minister Antonio Troccoli admitted in Buenos Aires that his government is concerned about the possibility of an armed insurrection against Pinochet originating in Argentina. In an interview published in the latest edition of the weekly SOMOS, Troccoli said: We have this concern. We do not wish for other countries what we do not wish for Argentina. The sources added that the Chilean Foreign Ministry has asked Arturo Fontaine, Chilean ambassador in Buenos Aires, to request more details from the Argentine interior minister.

2 ALLEGED GUERRILLA INSTRUCTORS ARRESTED

PY232039 Paris AFP in Spanish 2311 GMT 22 Jan 86

[Text] Temuco, 22 Jan (AFP) -- According to an official communique released today security agents of the Chilean military regime have arrested two members of an alleged guerrilla school. They will be tried with 22 students who were arrested a week ago. Officials said that the students were arrested on 18 January near Temuco, 700 km south of Santiago, on charges of carrying out guerrilla practices as members of the proscribed Communist Party.

The communique released today by the military command of the state of emergency zone says that the two people arrested, Manuel Ruiz Legal and Juan Valdes Recabarren, are instructors of the guerrilla school and have received training in Cuba. Relatives of the students have said however, that the students were arrested on 16 January while setting up a summer camp for voluntary social work in a rural community. They are all innocent and do not belong to any extremist organization, according to their relatives, who held a dramatic press conference at the Temuco bishopric.

PEACE COMMISSION AWAITS FARC AGREEMENT APPROVAL

PA231652 Bogota Television Service in Spanish 0000 GMT 23 Jan 86

[Text] Colombia's peace process is irreversible. The Peace Commission disclosed this morning that the draft of an agreement with the Revolutionary Armed Forces of Colombia [FARC] is ready and has been approved by President Betancur. The draft is in the hands of the country's oldest guerrilla group for its approval. The document covers two basic points: The time limits for the truce are eliminated and the system to dismantle the 26 FARC guerrilla fronts is established.

[Begin recording] [Reporter Alvaro Osorio] The Peace Commission today informed the FARC General Staff of the points regarding the extension of the deadline for the peace agreements. This document is to be signed in the next few days.

Mr Alirio Caicedo, secretary of the Peace Commission, what is the most important point of the document extending the deadline of the agreements?

[Caicedo] The fact that these organizations can continue to be involved in the country's political, social, and economic life as agreed in the La Uribe pacts of 1984.

[Osorio] A gradual dismantling of FARC fronts is mentioned. What terms will be used for this?

[Caicedo] This means that they are demobilizing their military organizations and their comrades-in-arms to join their political organizations through the [word indistinct] and the party they have formed. Consequently, this implies a gradual dismantling of this organization.

[Osorio] The document calls for an indefinite extension of the deadline of the peace agreements; FARC's incorporation into the country's political, economic, and social life; and the gradual dismantling of the 27 [figure as heard] fronts.

FARC leaders learned about the points of the new agreement today through the channels that link the Peace Commission with the FARC camp. Peace Commission members might go to La Uribe next week to sign an extension of the agreements, which is viewed as integral to the success of the peace efforts of this administration. [end recording]

RICARDO FRONT LEADER THREATENS MORE EXECUTIONS

PA222111 Bogota EL TIEMPO in Spanish 17 Jan 86 p 12

[Communique issued by Jose Fedor Rey, alias Javier Delgado, commander of the Ricardo Franco Front; place and date not given]

[Text] The general commander of the Ricardo Franco Front of the Revolutionary Armed Forces of Colombia-People's Army [FARC-EP] informs its members, its sympathizers, and the general public of the following:

The statements made to various local media by the traitor Omar Gonzalez and his anti-revolutionary chums about an alleged change of the general commander of the Ricardo Franco Front and about the holding of a revolutionary council to discuss the acts of justice that I have personally applied in defense of the revolutionary movement and of my own life, are merely the product of an unsuccessful elimination plan directed by the Revolutionary Armed Forces of Colombia-Patriotic Union [FARC-UP] general staff against its dissidents of the Ricardo Franco Front.

Once the plan was discovered, we succeeded in applying what revolutionary justice prescribes for those who become betrayers of the cause.

The wariness I have acquired throughout many years of experience in the struggle and in the decisionmaking process as the highest authority of the organization has been responsible for saving my life, which has been threatened several times by my own traitorous bodyguards who, once discovered, tacitly admitted the actions that they were to accomplish.

Therefore, there was no alternative but to unite our forces, ideas, and approaches with those of the superior command of the 19 April Movement [M-19], as a member of the National Guerrilla Coordinating Board. An infiltration similar to the one discovered in the Ricardo Franco Front was discovered within the M-19, so we concluded that the infiltration had to be halted to prevent the success of the malignant intentions.

A joint revolutionary council took place immediately and, based on the revolutionary norms of dignity, we administered the established code of justice to the rats of the FARC-UP, a group of traitorous revolutionaries who managed to reach high positions of command in our organization, like the charlatan Omar Gonzalez. He managed to escape with other top leaders of the finance commission, who are trying to take over the leadership of the Ricardo Franco Front in order to justify their actions.

Now, with my loyal, genuine revolutionaries, I will continue leading the Ricardo Franco Front, with the same characteristic fighting spirit and without being intimidated by the death threats made by the traitors at the service of the Colombian Communist Party [PCC], such as the FARC and the Patriotic Union (UP), and by others who have betrayed the organization to obtain purely personal benefits in exchange for becoming informers for the repressive state organizations. Disregarding the general directorate of the movement, these traitors have tried to reverse the application of the internal disciplinary rules of the organization.

Be warned, those who are still fugitives: No matter where you hide, sooner or later you will feel all the severity of revolutionary justice, in the same manner that it will be applied to the worms of the PCC, of the UP, and inescapably, to all the traitors of the general staff of the FARC forces, as we previously announced.

We will spare no effort to continue accomplishing what is today a reality for our glorious Ricardo Franco Front, with the road open to total success in achieving the goal that the organization set for itself ever since we were first threatened with death by the FARC forces and besieged by the state repressive forces.

We will continue struggling in defense of the less favored classes, which are oppressed by the ruling bourgeoisie, the landowners, and the exploitative voracity of foreign companies. Death to the charlatan Jacobo Arenas. Death to the FARC traitors. Death to the political charlatans of the UP.

Javier Delgado.

FURTHER ON 'NEW' GUERRILLA GROUP APPEARANCE

PA230435 Paris AFP in Spanish 2119 GMT 22 Jan 86

[Excerpts] Quito, 22 Jan (AFP) -- A new Ecuadoran subversive movement, Free Homeland Montoneras (MPL), emerged this morning in Quito with a spectacular armed action after which it distributed a communique calling "for consolidation of an opposition front that will halt authoritarianism." The communique's letterhead shows a rifle and a machete over the inscription "armed people to power," and states that "in the path of Bolivar, Alfaro, and Che...we will triumph." The MPL has accused President Leon Febres Cordero's government of alleged acts of repression, torture, and murders, of giving the country's wealth to imperialism, and of infringing on democratic rights.

The communique coincided with another communique issued today to the press by the Alfaro Lives group which also strongly attacked the authorities.

"We have occupied the top of the freedom monument to tell the Ecuadoran people that we will not falter until we have won freedom, justice, and democracy for our homeland," the MPL added. They said that the "dictatorial and antipopular policy" of the government "shows us that the oligarchs are not amenable to reason, and this calls on us to continue developing the rebellious tradition of the Ecuadoran people."

After stressing that Ecuadoran independence was turned into "a dependency, strangled first by the British Empire and later by North American imperialism," the MPL added that "we have recovered the rifles that were used by the people's Montoneras during the struggles for our independence, because these weapons must be picked up by the hands of the workers." The MPL said that the white on its flag represents "peace, freedom, and the justice we swear to achieve; the red, the force that encourages us, the blood of all the patriots who have given their lives for these goals, and the firm belief that only struggle will make us free." The group also urged the democratic and revolutionary political forces, Alfaro Lives, and the political-military groups to "form the biggest democratic and popular unity" to "consolidate an opposition front that will halt authoritarianism." Likewise, the communique issued by the Alfaro Lives organization, which emerged 3 years ago when the bust and sword of General Eloy Alfaro, leader of a liberal revolution against the conservatives at the beginning of this century, was stolen, also launched a harsh attack on Febres Cordero's government.

The communique is signed by Arturo Jarrin, leader of Alfaro Lives. The government has offered a 5 million sucres ($51,813) reward for his arrest and an equal amount for the arrest of other subversive leaders.

The group has said that it does not plan to assassinate President Febres Cordero because it is aware of the fact that the problems of the country "cannot be resolved with assassinations." Alfaro Lives criticized the president's trip to the United States and said that the aid achieved is not for Ecuador, but for companies owned by government officials. Alfaro Lives added that it has never had ties with drug trafficking. It condemned the traffic of drugs, and accused government officials of being involved in this. The group also blamed them for terrorism and said that it will present proof of this.

"Being foolish will only make your historic defeat sadder. Slander us, defame us, insult us, show our tortured faces, continue putting a price on our heads, continue killing; doing this you will achieve nothing," the group, which has described itself "as a historic need," concluded.

OPPOSITION LEADER SPEAKS ON DIALOGUE, DEMOCRACY

PY232223 Paris AFP in Spanish 0259 GMT 23 Jan 86

[Text] Asuncion, 22 Jan (AFP) -- Opposition leader Edgar Jimenez today warned that if the regime of President Alfredo Stroessner refuses to hold a dialogue with the opposition, within the framework of the mediation of the Catholic Church, it will show that it is a dictatorial government that does not admit the possibility of a peaceful democratic transition after 31 years in power.

Jimenez, a member of the Colorado Popular Movement (Mopoco, a dissident faction of the ruling party), added in a statement to AFP that the government refuses to admit that the U.S. policy toward Paraguay changed after President Ronald Reagan said that he is disappointed because Paraguay is not heading toward a democracy.

Jimenez said that prior to the holding of general elections, the National Accord demands that the ruling party comply with a 14-point program aimed at helping Paraguay achieve a democratic transitior.

The points include lifting the state of siege, a general amnesty for political prisoners and exiles, the repeal of those laws that restrict individual freedom, freedom of the press, freedom to hold political party gatherings, and guaranteed freedom to establish political parties, among others.

Jimenez also noted that a national constituent convention will be required to amend the Constitution, which was drafted in 1967 under the state of siege, and a silent press.

The Mopoco leader said that the National Accord has been strengthened by talks with the U.S. ambassador in Asuncion, Clyde Taylor, and with Democratic Senator Edward Kennedy in his recent Latin American tour.

Jimenez noted that the change in U.S. policy toward Paraguay is a pleasant reality that the regime refuses to admit.

He added that President Reagan himself has admitted twice that both Chile and Paraguay are governed by military governments that have promised to return to democracy but that they have not fulfilled their promise. The U.S. President noted at the time that he was disappointed by this.

Jimenez said that during his meeting with members of the National Accord in Buenos Aires, Senator Kennedy noted that his country wishes to repair the damage done by its long-standing support for totalitarian regimes in South America.

CHURCH COUNCIL AGREES TO PARTICIPATE IN DIALOGUE

PY240111 Asuncion ULTIMA HORA in Spanish 23 Jan 86 p 11

[Text] In a communique issued today, the Paraguayan Episcopal Conference [CEP] agreed to participate in a national dialogue.

The communique states that "the church wishes to support all initiatives facilitating national unity and the participation of all the citizens in order to achieve the common good.

"The initiative of holding a dialogue among the different sectors deserves the support of the church because the search for common viewpoints and the establishment of common courses of action may lead to greater harmony among all members of the national community."

"Consistent with these principles, the CEP assumes responsibility for implementing the planned national dialogue with absolutely clear intentions and the awareness of its own evangelizing mission, which cannot be discarded. It is indispensable that all men of goodwill, to whom we fervently appeal, cooperate and participate so that this enterprise can produce good results. It is necessary that the atmosphere not be clouded with accusations and aggravations, which lead us nowhere. On the contrary, mutual respect with initiatives to reconcile the people, taking into consideration people's needs can greatly contribute to creating better conditions for a great national agreement," the communique adds.

The communique states that "to formally begin the task of holding a dialogue, the Permanent Council has decided to form a group of bishops comprising Monsignor Felipe Santiago Bentiez, bishop of Villarrica del Espiritu Santo and president of the CEP commission on doctrinal matters; Monsignor Oscar Paez Garcete, bishop of San Pedro Apostol and the person in charge of social pastoral activities; and Monsignor Jorge Livieres Banks, Asuncion deputy bishop and CEP secretary general. Msgr Livieres Banks will be responsible for reporting to the mass media. In addition, the Permanent Council Council has decided that the group of bishops will have the cooperation of priests and laymen capable of advising it to ensure better implementation of the tasks."

In conclusion, the communique states that "a task like this involves quiet reflection and the careful drawing up of principles and bases making the initiative feasible..." "At this stage of preparation and study, of confident prayer and prudent effort, the CEP Permanent Council reasserts its desire to cooperate in order to fully achieve the main objective of the organic church program...."

BRIEFS

PHILIPPINE CONSULATE OPENS -- The Philippine Government has opened a consulate in Asuncion that will handle diplomatic affairs between the two countries. Carlos Martini Oddone has been appointed Philippine honorary consul in Paraguay. [Summary] [Asuncion EL DIARIO in Spanish 18 Jan 86 p 14 PY]

WAGE INCREASE AUTHORIZED -- Yesterday the National Economic Coordination Council increased the minimum wage by 15 percent. As a consequence, the minimum salary has risen from 52,215 guaranies to 60,047 guaranies. [Summary] [Asuncion EL DIARIO in Spanish 18 Jan 86 p 9 PY]

GARCIA INVITED TO MANAGUA POLITICAL MEETING

PY221311 Lima Radio del Pacifico in Spanish 1200 GMT 22 Jan 86

[Text] President Alan Garcia yesterday received an invitation that was extended by the Nicaraguan Government to APRA [American Popular Revolutionary Alliance] through which he is invited to attend the Latin American political parties' meeting to be held in Managua from 10 to 12 February.

Garcia, who has been invited in his capacity as APRA president, was given the invitation by Carlos Lopez Cano and Xavier Cano, members of the APRA international relations bureau.

PEACE COMMISSION MEMBERS TENDER RESIGNATION

PY231803 Lima Panamericana Television Network in Spanish 0200 GMT 23 Jan 86

[Excerpt] The five peace commission members, appointed by the government to draft a policy of pacification and defense of human rights within the framework of the problem of subversive terrorism, have tendered their resignation to President Alan Garcia. In a long letter addressed to the president, the members of the commission complained of political interference that obstructed their work for the 4 months that the commission has been operating. Bishop Augusto Beuzeville, jurist Diego Garcia Sayan, physician Fernando Cabieses, psychiatrist Cesar Rodriguez Rabanal and scientist Alberto Giesecke are the commission members who signed the letter submitted to the president.

LIMA'S MAYOR DISCUSSES POLITICAL SCENE

PY230252 Lima CARETAS in Spanish 13 Jan 86 pp 26-31

[Interview with Lima Mayor Alfonso Barrantes by CARETAS reporter Alberto Bonilla in Lima; date not given]

[Excerpts] [Bonilla] What have these 2 years of municipal government signified for the United Left [IU]?

[Barrantes] They have taught us that the exercise of government must be realistic, which means that the responsibility must be faced with a great deal of humility, realizing that support must be sought from other political sectors which, without relinquishing their natural aspirations, share the common interest to serve the community. Very important human ties have been established in these 2 years, not only among members of the IU but with the leaders of other political groups. They have also given us the opportunity to stamp out the widespread notion that the left has totalitarian inclinations. Despite the fact that we hold the majority, we have always sought agreements by consensus.

[Bonilla] When will the IU permanent crisis be resolved?

[Barrantes] When it stops growing. The current crisis is a crisis of growing up, like acne on the face of an adolescent. There are some contradictions among some leaders, but the desire for unity and for serving our cause prevails. Now, if in this process someone disagrees very strongly, we will allow him to go. Nobody stays in the IU against his will.

[Bonilla] Does that mean that there can be division?

[Barrantes] If there are very serious disagreements, the problem must be solved drastically. It is sometimes necessary to prune some branches to let the tree grow strong, but the left will not go the way of the United Mariateguist Party [PUM]. The IU leaders are not children and they are aware that the position we have gained as the country's second political force imposes the obligation to the thoughtful, realistic, and mature. This is the responsibility we have to the country, beyond our understandable personal and partisan ambitions. We stand for the consolidation of the constitutional process in the country.

[Bonilla] Do you believe that the IU has matured sufficiently to be an alternative in 1990?

[Barrantes] Sometimes one is forced to mature. Throughout its existence, the left in general (I am speaking of the IU and the American Popular Revolutionary Alliance [APRA]) has shown the capacity to be in the opposition but both of us are just beginning to learn that the task of governing is difficult. Only those who have not had the responsibility of government on their shoulders can continue acting as irresponsible youngsters. This is why I criticize the government on the basis that it is difficult to govern this country and that we need to develop a deep civic-mindedness so that all of us are committed to achieving the same objective.

[Bonilla] If you do not seek reelection and the Popular Christian Party [PPC] wins, don't you think that the PPC will have an advantage in 1990?

[Barrantes] The victory of the PPC will naturally imply the recovery of a sector that experienced harsh blows in the recent election. That does not mean, however, that I will cease to believe in pluralism as the best guarantee that we have for the advance of democracy in our country.

[Bonilla] Why are you traveling abroad in the near future?

[Barrantes] I have some kidney stones again, that is why I need to leave Lima. But I am not going to Germany this time. This time I am going somewhere nearby.

[Bonilla] To Cuba?

[Barrantes] Yes, the famous equipment I discovered in Germany is now available in Cuba, which shows that the level of development that Cuba is experiencing in the health sector is one of the best in the world.

[Bonilla] Are you experiencing any discomfort?

[Barrantes] Not much. I am bothered more by the other stones I received from abroad. I believe I will be absent for about 8 days because I also suffer from hyperacidity, which is natural because of the municipal and political problems I have to confront and the criticism I am subjected to from abroad.

TRADE MISSION TO TOUR SEVERAL ARAB COUNTRIES

PY221648 Paris AFP in Spanish 1500 GMT 21 Jan 86

[Text] Lima, 21 Jan (AFP) -- Senator Miguel Angel Mufarech today announced in Lima that Peru will try to enter the Arab market this year in order to sell $1 billion worth of mining, agricultural, fishing, and textile products.

In the long term, Peru wants to compete with Brazil and become one of the main Arab trading partners in Latin America, the politician said.

Mufarech added that the negotiations will be held by a trade and diplomatic mission that will visit Morocco, Algeria, Jordan, Iraq, Syria, Tunisia, the United Arab Emirates, Saudi Arabia, Kuwait, and two or three other Middle East nations from 16 April to 17 May. Mufarech, who is of Arab descent, said that the Peruvian mission will be one of the largest and most important ones in recent years. It will include more than 100 exporters and be headed by Prime Minister and Finance Minister Luis Alva Castro, Industry Minister Manuel Romero Caro, Foreign Minister Allan Wagner Tizon, Energy and Mines Minister Wilfredo Huayta Nunez, and Fisheries Minister Jose Palomino Roedel.

A senator for the United Left, the second political force in the country, Mufarech made the announcement after briefing social democratic President Alan Garcia on his 2-month tour of the Arab world to explore the possibility of Peruvian trade and diplomatic expansion in that region.

EDITORIAL ON AIRLINE PROBLEM WITH U.S.

PY230140 Lima EXPRESO in Spanish 12 Jan 86 p 24

[Editorial: "Air Policy"]

[Text] The government has recently renewed the air operation permit of Cubana Airlines. This enables Cubana to continue operating commercially on the Lima-Havana-Madrid-Prague and return route with all the rights granted by the "third, fourth, and fifth" air freedoms.

The truth is that the purpose of this editorial is not to analyze the purported advantages of a decision that has granted the Caribbean airline commericial operation of a route that has little value as far as bringing tourists to Peru, even though this decision may have strategic and political connotations. The point is rather to address the thoughts that are bound to be prompted by this event: Why is a similar effort of imagination and goodwill not made to end the commercial air conflict with the United State, which has been costing our country so much?

The Cuban airline for example, has obtained the renewal of its operation permit with the condition that a compensatory agreement be signed with AeroPeru within 90 days. In other words, it was not considered necessary to suspend the operations of Cubana Airlines, although there is no agreement to safeguard the interests of our state-owned airline.

We believe that such an agreement will be made not so that AeroPeru can fly a route of such limited commercial importance, but so that certain fees will be paid and services performed by the Cuban airline; and, naturally, there is no need to suspend air traffic on this route while agreement is being reached.

However, amid the complex negotiations with the United States, no one has considered the possibility of signing a temporary accord permitting the reestablishment of air traffic with Peru, the suspension of which continues to hinder our commercial and touristic activities, while the path for reaching a final agreement, which meets the interests of both parts, is being prepared with patience and goodwill.

Let us hope that very soon, as has been announced by Minister Manuel Romero, the disagreement with the United States will be overcome, thus eliminating an inconvenient point of friction, allowing that reopening of the channels that bring us tourists, and reestablishing our exports to the world's most interesting market.

FINANCE MINISTER ANNOUNCES DEBT REFINANCING

PA230242 Caracas Television Service in Spanish 1600 GMT 22 Jan 86

[Text] At the end of a meeting at the Miraflores Palace, Venezuelan Finance Minister Manuel Azpurua reported that the Cabinet has just approved the refinancing of the Venezuelan public foreign debt. The contracts with the creditor banks will be signed in a few days.

In addition, the Cabinet has just authorized the convocation of a shareholders' meeting at Pedevesa [Petroleos de Venezuela, S.A.] in order to approve the three oil internationalization agreements. During a press conference at the Miraflores Palace, which is being held at this very moment, Energy and Mines Minister Arturo Hernandez Grisanti gave details of the terms of the contracts. He also announced that Venezuela has purchased 50 percent of the shares of two Veba Oil [not further identified] refineries, one of which is located in Bavaria and the other in Karlsruhe, in southern Germany.

Due to difficulties in the oil market -- which have been aggravated in 1986 -- the Venezuelan oil industry has been forced to seek better ways to maintain adequate export levels that can guarantee the placement and sale of hydrocarbons in traditional oil markets. Internationalization -- also described as a vertical integration system because it determines direct sales in consumption markets -- makes it possible to selectively eliminate the distribution channels of multinational or independent corporations that connect the exporting countries and final consumers.

The internationalization policy has been conceived as the final stage in the markets' diversification process. In addition, this policy reasserts Venezuela's control over the final destination of its hydrocarbons. Venezuela also acquires the right -- independently or in association with foreign public or private organizations -- to use industrial facilities to refine, transport, store, and market oil in its own territory, thus controlling all stages of the business.

The internationalization of the oil industry also guarantees fiscal and exchange revenues, opens new possibilities for the analysis which Pedevesa and its affiliated enterprises have been carrying out, and fosters participation in technology research and development by those partners whose oil-related activities have proved very important.

Now, considering the reasons presented here and for the peace of mind of those who are still unsatisfied with the measure, the national government has presented a bill to the national congress to partially amend the organic law, which reserves the industrialization and commercialization of hydrocarbons to the state through a new article, No 6, which generally includes the supervision of the activities that the main office may carry out with public or private organizations. For this, the authorization of the president during a Cabinet meeting will be necessary.

This is the way in which Pedevesa, well aware of the national government's authority to govern the industry, has signed the first four oil internationalization contracts with U.S. and European corporations, also ensuring the placing of 240,000 barrels per day in the oil market.

MINISTER BLAMES OPEC FOR OIL PRICE 'FIASCO'

PA231754 Hamburg DPA in Spanish 2159 GMT 22 Jan 86

[Text] Mexico City, 22 Jan (DPA) -- Mexican Secretary of Energy and Mines Francisco Labastida Ochoa today blamed OPEC and the industrialized nations for the crude oil price fiasco in the international market. OPEC members and the industrialized nations have provoked the "current disorder," the official said, denying Mexico's responsibility in the market's saturation and the price drop.

Mexico, which exports an average of 1.4 million barrels daily, is not an OPEC member; nevertheless, it coordinated actions in the past to sustain prices in the international market.

Labastida Ochoa said it is necessary to control the crude's excessive demand in order to reach a "new understanding" on price issues. "We are waiting for specific proposals in which those to blame for the disorder may assume their responsibility to correct them," the official noted.

Mexico reduced the barrel price of its export crude in December. Government sources have predicted a new reduction for the current month of January.

Labastida Ochoa declared that the current drop on the international market will have a retroactive effect on the tariffs for Mexican hydrocarbons. He specifically said that the extent of such effects must be examined during the present month.

The price drop was not a surprise because OPEC had already decided to defend its participation in the market, not the prices, the official said. That explains the excessive demand for production and the successive price decreases, he pointed out.

It is necessary, he added, to control and eliminate excessive demand, which was not provoked by Mexico, in order to reach an understanding on price issues. "The risks of excessive demand," he continued, "which we have tried to stop for the past 3 years, are now becoming evident."

Meanwhile, Mexican Under Secretary for Foreign Trade Luis Bravo Aguilera predicted that the price decrease will determine a reduction in Mexico's foreign exchange revenues from $2 billion to $3 billion annually.

OFFICIAL SAYS BAKER PLAN 'FAVORABLE' BUT INCOMPLETE

FL151740 Mexico City NOTIMEX in Spanish 2200 GMT 14 Jan 86

[Excerpts] New York, 14 Jan (NOTIMEX) -- Foreign Credit Director Jose Angel Gurria, of Mexico's Finance Secretariat, has said the Baker Plan is a favorable solution but leaves many questions. It appears to be unable to meet the double objective of payment and growth as well as the conditions to obtain these resources. Angel Gurria added that Mexico's adherence with this plan depends on its not interfering with its intention to obtain $4 billion which, as new debt, Mexico has requested for 1986.

The foreign credit director was in New York for a high-level meeting on Latin American growth, adjustment, and debt, which was attended by finance ministers, international economic institutions, bankers, consultants, U.S. congressmen, academicians, and investors.

Angel Gurria said the recent Montevideo meeting was not a response to the Baker Plan but a diagnosis of the situation that proposes a series of measures at tolerable, short, and long terms so that debtors can renew a more adequate political growth.

When questioned if Mexico intends to adhere to the Baker Plan, Angel Gurria said Mexico had stated its 1986 financial needs before this plan emerged. He said: Before and after this plan, this has been Mexico's strategy. If the way the Baker Plan is proposed does not coincide with the plan to obtain those $4 billion, then it would be a problem.

He said U.S. authorities have demonstrated their willingness to support Mexico after studying Mexico's 1986 budget very carefully. This once again confirms the Mexican Government's political will to carry out its adjustment efforts, struggle against inflation, and deficit reduction to develop a basis for healthy and sustained development after public finance adjustments.

At the conclusion of the meeting, Gurria flew to Washington where he will finalize details for a new Inter-American Development Bank loan.

BRIEFS

COCAINE FOUND AT AIRPORT -- Federal Judicial Police found 24 kg of cocaine abandoned in a suitcase at Mexico City International Airport. The suitcase arrived in Aeromexico Flight 480. Apparently, the owner left the drug when he realized security personnel were carefully searching the baggage. The cocaine has an estimated value of over 2 billion pesos on the black market. [Summary] [Mexico City XHDF Television Network in Spanish 1955 GMT 22 Jan 86 PA]

DRUGS CONFISCATED -- Mexico City, 13 Jan (DPA) -- Defense Secretary General Juan Arevalo reported today that the Mexican Army confiscated 31 tons of marijuana and 711 kg of opium paste and arrested 664 suspected drug traffickers in the past 70 days. The official said that these were the results of the "Condor Plan" that the Army is carrying out with other institutions to combat drug trafficking. He also said that in the same period the Army destroyed 808 hectares of poppy and 812 of marijuana. [Summary] [Hamburg DPA in Spanish 0005 GMT 14 Jan 86 PA]

NEW AMBASSADORS -- Three new ambassadors presented their credentials to President Miguel de la Madrid yesterday. They are Maximo Gurmendez Guillemette of Uruguay, Slavko Sukovic of Yugoslavia, and Falilou Kane of Senegal who will reside in Washington. [Summary] [Mexico City UNOMASUNO in Spanish 18 Jan 86 p 6 PA]

ALLEGED FUND DIVERSION TO GUATEMALA TERMED 'RUMOR'

PA220435 Panama City MATUTINO in Spanish 21 Jan 86 p 4 a

["Popular Compass" column by Adolfo Benedetti: "Panama and Guatemala"]

[Text] The local and foreign professional rumormongers have added something new to the misinformation with which they intend to implement the campaign of economic terrorism that has been unleashed against our country. A timely denial by President Eric Arturo Delvalle stopped the newfangled rumor because it was not based on reality. It is not true that funds previously earmarked to Panama have been diverted to Guatemala.

Nothing could have justified a measure of this type as it is not in line with the U.S. Administration's patterns of behavior concerning the distribution of loans or donations to countries in this area. This was not a question of Uncle Sam happily playing with money, but of bilateral agreements signed by two members of the hemispheric community.

Moreover, if we objectively look at the political, economic, and social conditions there, with all due fraternal respect we feel for the Guatemalan people and government, we can proudly state that while Guatemala is barely beginning to return to constitutional democracy with a popularly elected president, our country has been treading this path for a long time with all options characterizing a process of transformations.

While Guatemala is undertaking the task of restoring its civilian institutions and human rights, such institutions and rights have been fully operational and absolutely in effect in Panama for years, a fact which has been proclaimed to the point of exhaustion by international organizations specializing in this field and most particularly in the freedom of the press. Socially speaking, the gains of which our country is proud are still developing in the country of the quetzal as evidenced by the huge number of underprivileged people, from which unretrievable outcast [irredenta] guerrillas have sprung up.

Every nation on this continent steers its democratization process through the paths that are best suited to the national character of its people. For this reason, it would not be wise to reach hasty conclusions and overrate one people to the detriment of the other.

EDITORIAL URGES REMOVAL OF MILITARY HIGH COMMAND

PA222217 Panama City EXTRA in Spanish 22 Jan 86 pp 1, 6

[Editorial: "The Country Does Not Function Under the High Command"]

[Text] The progressive deterioration of the country is evident. It is suffocating. Each day another step backward is taken. The future is becoming complicated and nebulous. We are approaching a true inferno. Panamanians in unison must repair the terrible damage caused to the fatherland by the arbitrariness, mistakes, and administrative corruption of the military high command. In short, the country does not function under the military high command. There is no salvation under the military high command.

There is no room in this editorial note for listing the reasons why it is essential, and unpostponable, to end the governmental regime ruled by the military high command. The very deep crisis, the instability and uncertainty over Panama's future demand this immediately.

All productive and service activities in the country will become entirely paralyzed until the military high command relinquishes power, and an authentically democratic government is returned to the citizenry.

On the path to the Second Republic, and the establishment of a representative and patriotic government, the collaboration and cooperation of the young officers of our armed institution will be required. That is the wish of all Panamanian men, women, children, workers, peasants, and businessmen. With the withdrawal of the military high command, first, carnival will be celebrated in the streets of Panama, and then everyone, absolutely everyone, shoulder to shoulder, will begin the reconstruction of our ruined fatherland.

ARIAS MADRID DESCRIBES NORIEGA AS 'SAVAGE'

PA200218 Panama City LA PRENSA in Spanish 19 Jan 86 p 1

[By Lisette Carrasco]

[Text] Upon his return to the capital city after a week abroad, three-time Panamanian President Arnulfo Arias Madrid commented on the "economic terrorism" denounced by General Manuel Antonio Noriega. Arias said that 'We have been experiencing terrorism for the past 16 years," and that the National Defense Forces are only prepared "to cut off people's heads."

In the beginning, the leader of the Authentic Panamenist Party refused to make any comments for LA PRENSA stating that "I have nothing to say... Miss, you are wasting your time and mine..I have no comments." Former President Arias Madrid returned to the country accompanied by his wife Mareya Moscoso de Arias. They were met by Antonio Arias, legislator for the Authentic Panamenist Party.

Due to the insistence of LA PRENSA reporters, the charismatic leader of the opposition agreed to make some statements for this newspaper. In analyzing the Republic of Panama's current situation, and in referring to the economic, social, political, and military problems which have worsened in these past 2 years, Arias said that "it is terrible and savage."

Despite the fact that Arias does not consider the chief of the National Defense Forces a "political enemy," he described Gen Noriega's political position as "very bad."

When asked whether the National Defense Forces' middle command was capable of carrying out a military coup against Gen Noriega, Arnulfo Arias Madrid said that "it is obvious," and recalled the recent changes made within the corps.

When asked how long he thought President Arturo Delvalle would remain in office, he smiled and said, "Ask God."

Former President Arias Madrid denied any contact with the chief of the National Defense Forces regarding rumors on "the formation of a provisional government junta," that would allegedly be formed by all the sectors that make up the Panamanian society because of the general crisis that has paralyzed President Delvalle's government.

Arias said that he has never given any thought to a dialogue with Gen Noriega whom he considers a "savage." When we insisted that he expand on his remarks on the current chief of the Defense Forces, he shook his left hand and said, "I have nothing to say."

As far as Arnulfo Arias Madrid is concerned, the National Defense Forces "are not prepared to govern; they are simply policemen."

When Dr. Arias Madrid was reminded that for the past 16 years the members of the National Defense Forces have made an effort to professionalize and train themselves, he asked "train themselves in what...?...cutting off people's heads."

Arias Madrid hinted that if the National Defense Forces withdraw from politics he would be willing to form a government junta.

He said that the Panamanian people have the solution to "get those savages" out of power. When asked what this solution was he said, "What would your solution be?"

He was told that his answer had been evasive and asked why he was not being specific. Dr. Arias Madrid said "Let's leave it at that..the people know the solution."

It had been rumored that Dr. Arias Madrid's visit to the United States was to meet with high-ranking Reagan administration officials to search for mechanisms for "a true democratization of the country."

Dr. Arias Madrid's trip coincided with the charge made by Gen Noriega regarding alleged "economic terrorism" planned by known opposition personalities who seek according to the militarymen to weaken the government and the National Defense Forces.

NORIEGA AGAIN SHOWS 'SCORN' FOR DEMOCRACY

PA191702 Panama City LA PRENSA in Spanish 18 Jan 86 p 1 A

["As of Today" column]

[Text] The chief of the Panamanian Defense Forces has again shown his scorn for the Panamanians' desire for democracy. Commenting about the removal of Nicolas Ardito Barletta on a U.S. television program, he justified the military men's intervention in the country's institutional life by claiming for the umpteenth time an alleged loss of trust of the legislators in the president, just as it happens in parliamentary systems. Truly, more than ignoring the Panamanian constitutional system -- which, because it is headed by a president, excludes the trust of the parliamentarians to justify a power originated in the people -- Noriega's statements again express this "national security" doctrine, so dear to Latin American military men and so nefarious for the democratic processes of our peoples. This doctrine, which has been born from the new function assumed by the Latin American armies in the defense of the hemisphere, has in fact become a concept of the state that submits the entire society to the control of the barracks. It has systematically denied the fundamental rights and organized repression apparatuses that govern themselves and the public power. The Panamanian people have been suffering and combatting all these outrages since 1968, and Noriega's attempts to sell abroad the false image of an Army respectful of democratic institutions is crumbling, as it is not consistent.

COSTA RICA

MONGE: SANDINISTS BLAMING CIVIL WAR ON NEIGHBORS

PA240208 Panama City ACAN in Spanish 2215 GMT 23 Jan 86

[Excerpts] San Jose, 23 Jan (ACAN-EFE) -- President Luis Alberto Monge said today that the Sandinist government does not want to admit that it is facing a domestic war, but is instead trying to make it appear to the world that its domestic war is originating from abroad.

Monge made the assertion in response to a charge presented by the Nicaraguan Government at the OAS yesterday that Costa Rica is violating the Guatemala statement by allowing anti-Sandinist groups to operate from Costa Rican territory. The Nicaraguan Government's note specifically mentions an attack against two Soviet-made Mi-8 helicopters in Sarapiqui on the border with Costa Rica on 17 January.

Monge said Nicaragua's latest charges are part of "a strategy and plan to harm and discredit Costa Rica." He added: "Most important, the Nicaraguan Government does not want to admit that a war is going on in Nicaragua. This government tries to make others believe that the war is originating from abroad. The Costa Rican president asked the Sandinists "to settle their domestic problems and leave us alone."

EL SALVADOR

DOMESTIC REACTION TO DUARTE AUSTERITY MEASURES

Duarte News Conference

PA231528 San Salvador Radio Cadena YSU in Spanish 1637 GMT 22 Jan 86

[News conference given by President Jose Napoleon Duarte on 22 January; place not given -- broadcast in progress]

[Excerpts] [Duarte] ... the conceptual part of [words indistinct] because it is important to have on record the thinking of the president, the economic team, and the government.

As they are aware of their responsibility, the president of the Republic and of the Salvadoran Monetary Board have carefully and exhaustively reviewed and analyzed for a long time the circumstances the country is experiencing. These analyses and deliberations by the Cabinet have led to adoption of the momentous decision to unify our currency's rate of exchange. They feel that it is indispensable to adopt this decision because a myth has been created around the monetary parity, and the development of our economy has thus been unreasonably and fruitlessly disrupted.

Upon assuming this decision with regard to our country's policies, we have taken into account the political, economic, financial, social, and ideological aspects of our country's crisis and pondered the seriousness of [word indistinct] historical considerations.

The rate of exchange of $0.40 to 1 Salvadoran colon dates back to the creation of the Salvadoran Central Reserve Bank. This rate of exchange, which was established over 50 years ago in accordance with economic conditions prevailing in 1934, is no longer adequate or relevant to the current status of our economy. In addition, the weakness of this exchange rate has been evident for many years.

In late 1960, the country experienced a serious setback in the external sector. This led to enactment of the law on control of international remittances in April 1961, a law that was used as the basis for the system of exchange control currently in effect.

Between 1961 and 1985 -- that is, during the last 25 years -- transactions of goods and services have reflected a positive balance only during [words indistinct]. In addition to this, it must be noted that the instability of coffee, cotton, and sugar prices has worsened the [word indistinct] external sector because the exports of these products represent two-thirds of our total exports. In this sense, the price fluctuations on the international market, especially of the price of coffee, have caused serious distortions in all areas of our national economy, which conditions have become more acute because of the crisis in [words indistinct] international monetary system.

In times of crisis in the external sector, the policy that has been historically pursued has been to correct exchange controls in order to reduce foreign expenditures and obtain foreign loans to increase the supply of foreign exchange.

Since (?1960), these factors have had an influence on the imbalances of the Salvadoran economy's external sector. Here I am going to skip part of the technical analysis of the external sector. I say this because I am prepared to talk with you as long as necessary in order to explain to you, one-by-one, the measures that have been adopted. Therefore, if you are sufficiently patient, I am quite willing to work 4, 5, or 6 hours here with you to give you the necessary information.

You are now familiar with the entire process of speculation that has been generated by the media, which has sown terror among the people. Fear has been sown among the people. This has been so serious that not only the government but the entire economy could have crumbled because of the unjust speculation that developed in the country.

You know that this government has an economic program, a social program, a political program, a military program, and an international program. Therefore, I place myself and this economic team at your disposal for whatever questions you may want to raise in connection with our country's economic problem. Of course, you will realize that during this news conference we will talk only about the economic problems and not discuss other problems, although I imagine the international press would be interested in discussing other issues, such as the news published in the newspapers, which news has been distorted, concerning the meeting in Guatemala when Ortega and I talked.

Furthermore, a certain newspaper published on its front page [words indistinct] things that are not true. Therefore, we can wait to discuss political and social issues until the next interview. I think we will be discussing economic topics deeply enough at this interview.

This government is governing. This government is making decisions. This government needs the support of the Salvadoran people. This government asserts that these reforms are valid. We are struggling against speculation; we are struggling against corruption; we are struggling against all evils harming us; and we are struggling against the black market.

We want all Salvadorans to help us in our efforts to eradicate all of these evils and to maintain a single exchange rate. For this reason, I will be drastic and tough with those wishing to destroy this [word indistinct]. I will take drastic and harsh action against those who try to change the established prices. I will be drastic and tough with those who unjustly seek to speculate with [word indistinct]. I will be drastic and tough with the wrongdoers.

I will be drastic and tough with speculators.

We will legally define crimes in relation to foreign exchange, speculation crimes, and other crimes in this economic war which I regard as a war of the people. As I said last night, this is not a program of Napoleon Duarte. This program does not belong exclusively to the government. This is a national program, a program of the Salvadoran people to straighten out their economy and thus achieve a solution to the economic problems.

[Unidentified moderator] The (?first) president of the Central Reserve Bank has also joined the conference. We will begin putting the questions to the economic team in the order in which each newsman has reported his or her desire to participate in the conference.

The first person raising a question is Antonio Fuentes Ibarra of Radio Ibarra Cadena Libertad. We ask you to wait until I give you the microphone so we can hear your questions well.

[Fuentes Ibarra] Mr President, Antonio Fuentes Ibarra salutes you. I have two questions, Mr President:

You have just said that you met with all of the country's sectors to review or study the program for economic revitalization. However, spokesmen for a political party said yesterday at the Legislative Assembly that they were not invited -- that is, that the political parties were not invited to take part in the study of the program for economic revitalization. My first specific question is: Why were the political sectors not invited?

[Duarte] I will answer and then [words indistinct]. The political party that said this made a false statement. Specifically, I invited ARENA in September. We held a 3-hour meeting here at the Blue Room during which I briefed them on the country's economic situation in detail. (?As a matter of fact), the first group that received this information in this country was ARENA, which, as a matter of fact, sent an excuse. I called them and told them I would be very glad...[Duarte changes thought] This was back in September [words indistinct]

Then, at the request of the Armed Forces, [words indistinct] concern about the need for national unity, I invited the entire Armed Forces general staff, the entire Armed Forces high command, and all ministers of all (?sectors) (?to a meeting at this place). We invited all representatives of the social sectors. They were here and there are at least 100 witnesses to this. All private enterprise sectors were here. The presidents of all private institutions were here. All political parties were also invited. For instance, the representative of the PCN [National Conciliation Party] was here. Representatives of PAISA [Salvadoran Authentic Institutional Party], and the Democratic Action Party were here. They were also invited to this second meeting. During this meeting I invited them to sit down and form a working committee to address this phenomenon.

Finally, since they did not come, I also invited them yesterday before releasing the official information. So, representatives of Free Fatherland [Patria Libre], AD, PAISA, [words indistinct] were here. Other parties were here but not ARENA.

[Fuentes Ibarra] They would be now that the devaluation of the currency is a reality. We cannot help but recall all the attacks levied against the policy of gradual devaluation of the colon. Do you now feel that that policy was a success?

[Duarte] As a matter of fact, I believe that I have reached this moment thanks to this policy. Look, unfortunately the newspaper EL DIARIO DE HOY, ARENA [National Republican Alliance], and the political parties opposed the policy of gradual transfer [deslizamiento] to the parallel market. Had they accepted the measures I proposed back in June, when I proposed that I be allowed to begin gradually transferring oil and coffee to the parallel market, today I would not be forced to do the things that I am obliged to do. No one would have felt the impact. Therefore, we have been slowly and gradually moving along. The process of transferring has worked very well. We transferred 60 percent of all products to the parallel market, and for this reason, businessmen should not increase their prices above their actual costs and the real increases will be approximately 15 percent. I recognize that there will be a cost increase of approximately 15 percent, because that is what we discussed and planned. The transferring premise has worked because we are now able to tell the country that the 13,000 products transferred to the parallel market should not increase in price.

Unfortunately, there were some products [changes thought], in fact, the ARENA did not let me transfer oil to the parallel market. They should have let me transfer it, as I did way back when I proposed that 16 percent of oil be transferred to the parallel market, later another 16 percent, and then another 16 percent, because today oil would be totally on the parallel market, and we would not have to spend up to 750 million colones, exchanged in dollars, to purchase oil from abroad. Let us remember something else. Let us remember that last year there was a year-round campaign to do away with the gasohol project. Gasohol is now giving sugarcane producers security in their prices, and it is being exported at a price of $1.40 per liter -- rather, per gallon -- meaning that sugarcane producers are assured the price of 50 centavos -- rather 50 colones -- per ton. Otherwise, we would be losing millions of colones and dollars from the country.

This is what happens. They oppose them for the sake of it. They do these things to create problems. You can learn, you can see the process and learn how the process of transferring worked, and how it should have continued working, and it is going to continue working. This is one more step in the process of transferring. We must constantly review these measures every 6 months. I am not God; I can make mistakes and I must correct mistakes. For that reason, then, the process of transferring has been a success.

This decision now is part of the process of monetary reforms in the country that will strengthen the economy. I trust in God -- listen to this -- I trust in God that all Salvadorans may begin to realize that the struggle against corruption, speculation, and the black market is vital. If they continue to purchase on the [words indistinct], I will send in the police to arrest them all and to confiscate the money. If they, and the people, continue changing the value of the dollar, and if it continues at 6, 8, 12, 15, 20 [no currency specified] on the black market, the time will come when the country will lose control over its economy. For that reason we must smash the black market, and the government, the people, the Armed Forces, the country, the labor unions, the peasants, the newsmen, and everyone must help me fight the black market because that is how all of us will be saved; that is how all of us will strengthen our wages.

Salvadorans here, who earn colones and [word indistinct] in colones; foreigners here who earn dollars and get paid in dollars, think of how much harm you are doing to the country by dealing on the black market to exchange those dollars. I invite newsmen living here with us to help me. Go to the bank to exchange your dollars at the official rate. I also invite diplomats to do likewise. I invite all those who pay their house rents in dollars to stop paying in dollars and to pay in colones in order to strengthen the country's economy.

This is my response; streamlining or transferring has been a positive process and will continue to be so because we must reinforce things to reach a point in which the entire economy is balanced. Thank you for the question.

[Moderator] Mr President, the next question will be made by Journalist Eduardo Vasquez Baker of NCA News.

[Vasquez Baker] Good morning Mr President. I have three questions: One, what effects did the coffee situation have on the current economic reform program; second, why wasn't the war tax levied; and finally, how are you going to handle your relations with private enterprise from now on, in order to encourage national production?

[Duarte] Thank you for the three questions, as they are all important. First of all, the difference in the price of coffee had a very important effect, because at the time I made this decision -- in September or October of last year -- the nation's budget and our national economy was based on a price of $130 per quintal. Today there is speculation particularly in the media, that the price will increase to exorbitant levels. I want to warn the Salvadoran people not to expect too much, because right now the price of coffee is dropping again.

At this time, delegates from all over the world are confronting each other in London, and there are two groups clashing with each other. A serious problem has emerged, with what is known as tourist coffee [cafe turistico] or fraudulent coffee, as a result of all the [words indistinct] in the world who are engaged in this kind of business, buying contraband coffee and then selling it to countries at high prices. This is a problem, because if all the exports are released and used without any control, millions of coffee bags that have been floating around in the world will now be able to enter the traditional markets. This would be dangerous, and would result in a drop in prices. Therefore we should not entertain great hopes.

We have been reasonable and have devised a plan with the coffee growers. We have met in order to establish a coffee export plan, in order to set the best possible price, without speculating. We have devised this plan with two commissions, a technical commission and a commission made up of all the coffee growers. As a result of this plan, we have established an export plan in order to maintain an average price, prevent speculation, and avoid risks. Therefore, I can tell you that today the foreign trade minister will announce the opening of the market for the buying and selling of the first coffee, in order to guarantee the minimum price. So, this is what I can tell you regarding the importance of the coffee situation in the process.

Second, if the situation becomes tough, as I once said, obviously we must analyze the situation, as emergency problems are solved with emergency solutions. The additional income from coffee is a circumstantial and emergency income, and therefore we have considered the possibility of using it to compensate some of our expenses.

On the other hand, if there is an emergency, we must resort to an emergency tax. For this reason, we have not implemented the patrimony tax, which is an emergency tax. It will explain this. If El Salvador lost the war, how much would the merchants, industrialists have to pay? The would lose everything. If someone is kidnapped, a 1-million peso ransom is demanded. Can you imagine that? Now, let's figure this out, for example, 100, 500, 1,000 pesos...1,000 pesos a month, multiplied by 12 months is 12,000; in 10 years this is 120,000. However, the kidnappers demand 1 million pesos all at once. Therefore, to pay a tax, to make a contribution in order to defend what is yours, to defend the institutions, to help those who have nothing in order to change their situation for thebetter is support for private enterprise, and is fundamental for the country's economic structures.

This is my concept of an emergency tax, which, of course, will only be implemented in emergency cases. On this occasion, we made a thorough analysis of the situation, and decided not to enter into this process yet, in order to lessen the trauma.

As for your second question, what was it?

[Vasquez Baker] [words indistinct]

[Duarte] On future relations with private enterprise. I think that the relations with private enterprises have gradually improved. For example, they have been asked to participate in the production plan, which is the economic reactivation plan. A commission has been created with the presidents of five institutions, including ANEP [National Association of Private Enterprise] and others, who are my friends. I have invited them as friends, and not as presidents, to take part in a special commission. I have told them that [changes thought] in some occasions they have even taken the information to their associations.

Obviously, there are still those who are reluctant to support the government efforts. However, I believe that little-by-little they are realizing that this is a fair government, a government that is not seeking revenge, a respectful government. As I said before, although I do not buy EL DIARIO DE HOY, and I do not think that many people do, this daily writes and says whatever it wants, and has never been censored. This is part of the democratic process of respect. Private enterprise has attached me, you have read manifests from various organizations; however, there has never been any action taken against them. I think that private enterprise has seen this, and is aware of my efforts to maintain our economy, to help them produce. Last night they must have heard about the great production plans we have, which will mean thousands of millions of colones for private enterprise. We gave private enterprise approximately 3 billion colones in 1984, and this year we are going to give them 5 billion colones so they can produce, export, and make of this country [changes throught] create jobs. In this manner, private enterprise and the government are going to increase the number of jobs in the country. We hope to create approximately 20,000 to 25,000 new jobs. This is my reply to your question.

[Moderator] It is now reporter Efigenio Ibarra of NOTIMEX and IMEVISION's turn.

[Ibarra] Mr President, in all our countries the economic crisis has proved practically invincible despite the reorganization programs implemented. How is it possible that in El Salvador, amidst a war, a program for economic reorganization can work when the conflict is not only claiming lives but resources that are involving thousands of human beings and thousands of colones?

[Duarte] I will answer this question myself because it is a very thorough question. You are wrong in the way you view things. Those countries that did not take any precautions and that received the impact all at once [words indistinct] at the opportune moments, continued with their squandering and their spending thinking that they had oil. They squandered and spent. People did not understand the message. People thought they could have the same salaries and same standard of living indefinitely until the crisis broke out, and it broke out, if you may recall, resoundingly. But I ask you, once this crisis emerged didn't the Mexican Government begin to take measures to start controlling the situation? I imagine that it will continue to take more measures to further control things because a country as big, powerful, industrial, and productive as Mexico has many means and resources to pull out of its economic crisis if the government, and in addition, if the people are willing to accept the changes that need to be made. However, the situation would be grave if in Mexico, for example, the people were to say "we reject the structural changes to the country's economy."

If unionists were to ask for 300 percent and 500 percent salary hikes, they would destroy the country. If industrialists were to speculate and increase prices, if instead of implementing 10 percent increases they were to increase prices 100 percent, they would destroy the country. Thus, the phenomenon of the economy having two great dimensions, the internal and external. We must first correct the internal problems, because only then can we face the external problems. This must be done simultaneously and jointly.

If we take measures and have the guts to rule, then we can change these countries, and if the people are willing to help, we will pull through. This is the message I am giving to the people. This is the challenge the Salvadoran people have. We are taking these measures while we still control the economy, while we can still stop the inflation, and when inflation has not yet controlled us. So now we are taking these measures to cure the sick man. Before he gets gangrene I am going to cut off his hand and repair him before the crisis gets here.

Therefore, I am optimistic. I ask you to take a message to the Mexican people. Tell them to get together to fight inflation, corruption, speculation, and the black market. The Mexican Government and people will pull through with faith and hope. I want the same for El Salvador and the rest of Latin America. Thank you.

Measures Forced by U.S.

PA240029 Buenos Aires REUTER in Spanish 2355 GMT 23 Jan 86

[By Robert Block]

[Text] San Salvador, 23 Jan (REUTER) -- The United States has threatened to suspend its vital military and economic aid to the Salvadoran Government if the latter does not adopt a series of economic austerity measures, it was stated today by official and military sources. The sources said the pressure was exerted through the U.S. Embassy in El Salvador by Ambassador Edwin Corr and USAID.

Embassy officials have refuted the reports and a spokesman of the diplomatic mission accused Jose Napoleon Duarte's government of "attacking the gringos" in an effort to blame them for the unpopular measures announced on Tuesday by Duarte. Duarte devalued the Salvadoran currency, limited imports, and increased fuel prices and public transportation fares in an effort to stabilize the country's economy.

According to government and military sources, the United States had suggested the measures and exerted pressure despite Duarte's objections; he said these measures would affect the low-income majority and might provoke political chaos.

One of Duarte's main advisers told REUTER: "All the pressure was exerted by Corr and USAID." The adviser said Duarte once told Corr that if he enforced the austerity measures suggested by Washington, the political consequences would be so violent that they might lead to a coup. According to the adviser, Corr answered: "You handle the package of economic measures, and I'll watch out for the coup." The adviser, who preferred to remain unidentified, said the U.S. Embassy was also exerting pressure on other sectors of the country, and clearly implied that if the austerity measures were not implemented, U.S. military and economic aid could be suspended.

A top-level military official said: "(The Army's high command) clearly saw what would happen if the government did not comply with this."

He said the military sector supports the economic measures in general, even though they have some objections about certain aspects of the economic package. "The military sector knows how important this aid is," he said. Ronald Reagan's government, the Salvadoran Government's main financial source and provider of weapons, supplies approximately $1 million per day in military and economic assistance, which is vital for the armed struggle against the leftist guerrilla groups.

Chamber of Commerce Statement

PA240124 San Salvador EL DIARIO DE HOY in Spanish 23 Jan 86 p 21

[Statement issued by the Chamber of Commerce and Industries in San Salvador, dated 23 January]

[Text] Given the new economic measures imposed by the government of the Republic, the Salvadoran Chamber of Commerce and Industries hereby states its views on the issue which has provoked so much concern among the Salvadoran people:

1. Many of the new measures will not lead to the much-publicized national economic reactivation or contribute to developing the investments needed so much in the country.

2. Since learning the general guidelines of these measures, the Chamber has defended the view that the government program should not be restrictive. Instead, the program should be aimed at advocating and encouraging private economic activities. It was later pointed out that the program should avail itself of the current increase in coffee prices on international markets. Bearing this in mind, the Chamber presented some suggestions which are not included in the measures adopted by the government.

3. The Chamber reasserts what it previously said concerning the consequences of this government project: The natural and subsequent increase in the price of many staples which are necessary for the Salvadoran people's life and activities will be the result. Prices must necessarily reflect the increase in foreign exchange rates, taxes, bank interest rates, fuel, etc.

4. Since the measures were announced, the country's political, economic, and social sectors have issued statements rejecting them, knowing there are other ways of positively achieving the goal of reactivating and balancing the national economy. Despite all this, the government has adopted a solution whose negative consequences will be experienced by the Salvadoran people.

5. Lastly, the Salvadoran Chamber of Commerce and Industries is fully aware of the need to rescue the national economy from a predictable drop and warns that there is still time to make the necessary changes.

San Salvador, 23 January 1986, Board of Directors

FMLN Comments

PA230426 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 23 Jan 86

[Station commentary]

[Text] The Duartist economic package is a veritable declaration of war against the people.

Just as was expected, Napoleon Duarte has revealed a package of economic measures against the people. Everything had been coldly calculated. First, the ministry of propaganda, which is handled by Rey Prendes, launched a rumor that a gallon of gasoline would cost 14 or 15 colones, that urban bus fares would cost 1 colon, that water and electricity bills would be twice as high, etc. The government conveniently waited for some time so the rumor could spread and provoke alarm among the people, given the sudden and exaggerated increase in the cost of living. Duarte appeared eventually, in his traditional messianic style, saying there is no reason for alarm, that things are not so grave, and then he revealed the list of antipopular measures, which range from an increase in urban fares to official devaluation of the colon.

This trick that Duarte and Christian Democracy has used resembles the tale about the executioner who comes and tells the man sentenced to die: I bring you good news! We are not going to kill you with 10 shots, only with 7 shots! What do you think of that? The executioner thinks the man sentenced to die will actually say: Thank you very much, Mr Executioner, for the good news.

Napoleon Duarte has underestimated the people's intelligence and thinks the people will remain idle only because the ax stroke was announced as if it were good news. However, his excellency the demagogue who leads the current regime is wrong. No matter how much Duarte tried to minimize the measures with his rhetoric, the measures are really a low and malicious blow against the popular sectors. This is a veritable declaration of war against the people.

Duarte said: Just to prove how good I am, I am not going to give you a 100-colones salary increase like I promised in December, but 150 colones. Duarte added that the government does not have to be pressured with strikes because it increases salaries. Does Napoleon Duarte think that the people have already forgotten how difficult it was for the public employees to get that miserable 100-colones increase? That Pyrrhic increase cost the public employees many sacrifices, accusations, imprisoned leaders, threats, etc. In addition, the 150-colones increase is not enough, even if it is part of the economic measures. Furthermore, the cost of living will increase to heretofore unknown levels.

We must bear in mind that Duarte announced an official 100-percent devaluation of the colon; in other words, the quote increase unquote of 150 colones has already been devalued 100 colones. In fact, they will get approximately 30 colones, based on the previous exchange rate. Now then, the problem is that not only was the coin devalued, something which is a serious blow by itself against the people's economy, but in addition, urban bus fares and the prices of staples have officially increased. We say officially because all the prices will go up; the prices will be increased beyond what was officially announced. It is not true that the government will eradicate the black market, as Duarte claimed; that is impossible. It has been impossible in countries which are not at war. It is even less possible in our country, where we have a war throughout our national territory, where the legal system exists only in name, where the National Guard and police are fighting against another army and cannot possibly look for speculators, and where most of the people live outside the law.

In addition, it is appropriate to ask the following question: Is it, perhaps, possible that the bourgeoisie will give up their privileges, even for one moment? No. The bourgeoisie will never stop importing whiskey, luxury cars, and other luxury items. All those imports must be paid with dollars, dollars which are, of course, obtained in the black market. Furthermore, how can the government control the money orders for small amounts which are sent every month by at least 200,000 Salvadorans who live in the United States? The black market of dollars will not be controlled; in fact, it will be encouraged.

Consequently, the colon's real devaluation is far greater than the 100 percent officially announced.

This devaluation will slowly launch inflation and this will logically cast the popular sectors into deeper poverty and misery. Thus, the 150-colones increase is in fact a salary discount because the coin will be worth much less than before and the luxury items will cost much more. The prices that Duarte showed on his chart exist only on that chart. Duarte should go out and try to purchase a pound of sugar for 60 cents in San Miguel, Sonsonate, Santa Ana, or any neighborhood store in the capital; those prices are false. Duarte's calculations appear to be right, but the people's calculations show the opposite.

Duarte will get enough money to buy the soldiers' boots, buy the repressive corps' ammunition, and pay the colonels' and generals' salaries. However, the workers, peasants, and public employees who were listening and making their own calculations will not fare so well. Has Duarte ever stopped to think how much money will be spent -- only in bus fares -- by a worker who lives in San Antonio Abad and goes to work in Soyapango? We are only talking about the bus fares and the picture is already dramatic for the people.

Even though it was said that the measures will affect everyone, this is only another lie in Duarte's demagogic speech. He offered an additional 1 billion colones -- in cash, he said -- to the coffee producers, availing himself of the increase in coffee prices at the international marekts. He also offered 5 billion colones to the financial burgeoisie, but he practically said the popular sectors had to starve to death. Duarte suggested that those who have a car should buy regular gasoline instead of buying the special gasoline, because the former is cheaper and they would not be affected so much by the crisis. What about the workers, peasants, public employees, and marketplace vendors who do not have a car? What will Duarte suggest for them? Perhaps he will suggest that they go barefoot or starve?

Definitely, the package of economic measures is a veritable declaration of war against the people. All the sacrifices imposed on the working classes are aimed at financing an antinational and antipopular Army. This is not a national war. The government's Army is not defending our territory from another country's army. This is a civil war; the nation is divided. Consequently, the special economic measures -- which would be appropriate during a national war -- are unwarranted because they affect thousands and thousands of people who do not support the Army or the government, and who do not agree that the Yankees should be in our country.

Consequently, the regime can only expect -- and it can be assured that this will happen -- further proof of the people's displeasure. Napoleon Duarte said in his speech that the measures are aimed at stabilizing and strengthening the economy, and everything will eventually benefit the people. What will actually happen? Prices will increase, inflation will increase, the popular sectors will sink deeper into poverty and misery, and all this will happen amidst a sea of dollars that will be pouring into the country. However, these dollars will be distributed among those at the top, the Christian Democrats, the bourgeois, and the military officers.

The popular sectors will not take to the streets and declare strikes because the FMLN has asked them to do so. The popular sectors, the workers, will mobilize themselves and protest because their wives will ask them to do so, given the lack of food; their children will ask them, given the lack of shoes and medicines. In sum, they will protest because they will be driven by hunger and poverty.

Napoleon Duarte justifies all his antipopular policies arguing that we are at war and everything will be destined for the war. What does Napoleon Duarte do for peace? How much money does he allocate for the peace efforts? Instead, he interrupts the dialogue, threatens to imprison people, and persecutes those who organize forums and peace marches. All the sacrifices Duarte demands from the people are for the war against the people.

So, what can the people do to avoid starving to death; to oppose a government which, in addition to decreeing antipopular measures, refuses to exert any effort to achieve political solutions; and to oppose a repressive government? They must pick up their weapons. This is the only road open to the workers, peasants, students, and the people. They must pick up their rifles, particularly the youths, and oppose a regime which represses them, kills them, and starves them. They have no other choice but to pick up their weapons. This is a commitment with the working classes and the homeland.

CORRECTION TO FMLN COMMUNIQUE ON 1981 OFFENSIVE

The following correction pertains to the item headlined "FMLN Views Struggle 5 Years After 1981 Offensive," published in the 15 January Latin America DAILY REPORT, pp P-7 to P-8:

Page P-7, graph four, from line four make read...the electoral struggle abandoned by the democratic...supplying indistinct word.

Graph five, from line four make read...demands of the masses, whether these were... supplying indistinct word.

Same graph, from antepenultimate line make read...to the people throughout the country were enduring persecution, had disappeared, or had been murdered. [new graph] In March...supplying additional words, rewording for clarity.

Graph six, from penultimate line make read...resign ourselves to seeing their hopes for and commitments to liberation crushed and drowned in blood once again in the history of the fatherland. [new graph] Within this framework,...supplying missing words, rewording for clarity.

Page P-8, graph two, from line two make read...wrong. Based on false analyses, they concluded that...rewording.

Same graph, from penultimate line make read...offensives aimed at surrounding and annihilating us. [end graph] ...supplying indistinct word.

Graph three, from line one make read...defeated them one-by-one. Far from defeating... supplying missing words.

Graph five, from line one make read...and the FDR are more united and stronger. [new graph] The people are...supplying indistinct words.

Graph seven, from line two make read...the U.S. Government. It became more corrupt and is now...supplying missing words.

GUATEMALA

CEREZO APPOINTS DEPUTY INTERIOR MINISTER

PA231552 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 21 Jan 86

[Text] This afternoon Miguel Angel Valle Tobar received the president of the Republic's personal and official confirmation of Tobar's designation as the new deputy minister of interior, reported Cadena de Emisoras correspondent Oscar Constantino Figueroa Valiente.

Valle Tobar, who is 57 and a native of Quetzaltenango Department, has been an active member of the Guatemalan Christian Democratic Party [DCG] for the past 17 years. He served as an alternate deputy of the Guatemalan legislature and was later elected a deputy of of that assembly.

Mr Valle Tobar was proposed for the position by the DCG leadership in Quetzaltenango.

HONDURAS

AZCONA REPORTEDLY MAKES CABINET APPOINTMENTS

PA221325 Tegucigalpa Cadena Audio Video in Spanish 1203 GMT 23 Jan 86

[Text] Although President-elect Jose Azcona del Hoyo has not made an official announcement, the news media, especially Radio America, have been able to confirm the names of those being discussed to accompany the president-elect in his Cabinet.

Juan Fernando Lopez, former mayor of San Pedro Sula, has been confirmed as communications secretary.

Francisco Figueroa will be the CONSUPLANE [Higher Council of Economic Planning] secretary. He was under secretary of communications in the first 2 years of the administration of President Roberto Suazo Cordova.

Professor Rodrigo Castillo will be the natural resources secretary. He was natural resources secretary in the first 2 years of the Suazo Cordova government.

Attorney Carlos Lopez Contreras will be the foreign secretary. It has been learned that his appointment as foreign secretary was recommended by the Honduran Armed Forces. He is a cousin of General Walter Lopez Reyes, commander of the Armed Forces.

Adalberto Discua will be the labor secretary. Political and labor circles are saying that his appointment violates the Constitution because it has been said that Discua has pending debts with the National Treasury and therefore cannot be secretary.

Reginaldo Panting will be in the Economy and Commerce Secretariat. His appointment has been seriously quetioned by some sectors of Honduran private enterprise. Panting is apparently disliked by some business sectors due to his temperamental outbursts. Nevertheless, his appointment has been confirmed as a member of the People's Liberal Alliance.

Dr Ramon Villeda Bermudez will be the public health secretary. He was the first to be mentioned by Azcona del Hoyo as a member of his cabinet. Villeda Bermudez is a good doctor with irreproachable conduct who deserves to be given an opportunity to implement his ideas on public health.

Dr Arturo Rendon Pineda will be culture and tourism secretary.

Efrain Bu Giron's appointment as finance secretary was confirmed yesterday. His appointment as well as his acceptance surprised political circles because it is well known that Bu Giron will be politically isolated in that secretariat, which has traditionally been assigned to economic experts.

Celeo Arias Moncada will be secretary of the Presidency.

It has been learned that President-elect Azcona del Hoyo, along with the Armed Forces, has selected a high-ranking officer to be defense secretary. He is Colonel Luis Alonson Cardona.

Elisa de Martinez will be in the Public Education Secretariat. Until yesterday, the appointment of the education secretary had not been decided because university and scientific sectors had proposed Dr Carlton Corrales as the best person to be the public education secretary.

These are the secretaries who have been appointed thus far. Nevertheless, the entire Cabinet will be announced by President-elect Azcona del Hoyo in the next few hours.

21 JANUARY FOREIGN MINISTRY PROTEST TO NICARAGUA

PA232052 San Pedro Sula TIEMPO in Spanish 22 Jan 86 p 2

[Protest note from Honduran Foreign Secretary Edgardo Paz Barnica to Nicaraguan Foreign Minister Miguel D'Escoto, dated 21 January]

[Text] I address Your Excellency to inform you of the following incidents that occurred this month.

1. On 13 January, soldiers of the Sandinist People's Army [EPS] kidnapped Abelino Hernandez, 50, at the border town of Tierra Colorada, Morolica municipality, Choluteca Department, and took him to Nicaraguan territory.

2. The following day, 14 January, an EPS patrol of approximately 60 soldiers entered Honduran territory and went to the village of La Esperanza, Trojes municipality, El Paraiso Department, where they stole a mule and a radio belonging to Hermenegildo Sanchez, and later plundered the surrounding areas.

3. On 17 January, members of an EPS patrol crossed the Honduran border and went to the village of El Bosque, El Paraiso Department, located 3 km northeast of (Tapalchi) where they killed Argentina Blandon Mendoza, kidnapped her sons Hernan and Fidel Mendoza Blandon, and took them to Nicaraguan territory.

4. Finally, on 18 January a patrol comprised of members of the Honduran Army who were complying with their constitutional duty to safeguard our national integrity stepped into a field that had been mined by EPS troops. The field was located near Cano La Cruz, located 1.5 km from the border in El Paraiso Department. As a result, three members of our Army were killed -- Sergeants Valentin Garcia and Federico Urbina, and Corporal Raul Lagos Avila -- and soldiers Isaias Nolasco Benitez and Cesar Javier Gonzalez were seriously wounded.

As Your Excellency can see, the incidents that occurred in a 1-week period run from plundering and rustling to kidnapping and murdering people, as well as mining Honduran territory.

Three valuable members of our Armed Forces have died and two others were wounded as a result of these actions. It looks as though your illustrious government wishes to be more aggressive this year, because the actions against our citizens and the violation of Honduran territory are being carried out every day. My government is not going to tolerate these violations, which in many cases verge on vulgar crime.

For the umpteenth time, my government strongly protests these criminal actions and urges the illustrious Nicaraguan Government to stop these acts of agression, and to once and for all seek dialogue and understanding through the negotiations proposed by the Contadora Group.

With assurances of my most distinguished consideration,

[Signed] Edgardo Paz Barnica, Secretary; Tegucigalpa, D.C. 21 January 1986; Information and Press Directorate, Foreign Affairs Seceretariat

NICARAGUA

PASTORA ENDORSES PACT, SAYS GROUP RESUMES FIGHTING

PA232059 Caracas EL UNIVERSAL in Spanish 16 Jan 86 p 1-6

[Text] San Jose, 15 Jan (ANSA) -- Eden Pastora (Commander Zero), whose forces were defeated in southern Nicaragua last September, has announed that his group has resumed the armed struggle against the Sandinist government.

Pastora sent a communique to ANSA's office in San Jose from "the mountains in southern Nicaragua," in which he also stated that "under no circumstances will we negotiate with the communists or give up the struggle we are waging against Managua's Marxist regime."

In his communique, Pastora reported that 3,000 ARDE (Republican Revolutionary Alliance) [expansion as published] guerrillas under his command have resumed fighting and "have dealt several blows against various towns and military posts of the Sandinist People's Army near Nueva Guinea" (180 km south of Managua).

On another subject, Pastora endorsed a pact signed by five of his commanders with some of the leaders of the Nicaraguan Democratic Forces, FDN, the other guerrilla group fighting against Sandinism with U.S. support. Pastora said the document made public by the Nicaraguan Opposition Unity was signed under his direction, and had the acceptance and support of FDN leader Adolfo Calero. Pastora said the commanders who signed the pact reiterated their support for ARDE, and that since the document was signed, he has not received "a single penny, except for private contributions from some countries in the region."

Pastora added that his group "has not received a single penny of aid approved by the U.S. Congress either, nor has it received a single rifle or a single cartridge from the FDN to continue the war in southern Nicaragua."

MALMIERCA, DELEGATION REACH ZIMBABWE FROM LESOTHO

FL240156 Havana Television Service in Spanish 0100 GMT 24 Jan 86

[Text] Cuban Minister of Foreign Relations Isidoro Malmierca and the delegation accompanying him arrived today in Zimbabwe to begin a working visit to that African country. The Cuban minister of foreign relations traveled from Maseru, capital of Lesotho, to Harare in an official airplane provided by the Government of Zimbabwe because, after the coup d'etat in Lesotho responding to pressures from the racist regime of South Africa, air transport to Lesotho was interrupted.

For 3 days the South African authorities put obstacles in the way of the Cuban delegation's leaving Maseru, showing once again their total disrespect for international legal norms and their impotent resentment of the Cuban people because of their solidarity with African patriots in the struggle against apartheid.

JAPANESE DIET DELEGATION CONCLUDES VISIT

FL231738 Havana Periodico del Aire in Spanish 1700 GMT 23 Jan 86

[Text] Japanese Diet Deputy (Yoshio Sakarushi) and his delegation have concluded their visit to Cuba, which was the result of an invitation from Flavio Bravo, president of the National Assembly of the People's Government, who accompanied them to the airport.

During his stay here, Mr (Sakarushi) met with Commander in Chief Fidel Castro, president of the Councils of State and Ministers, Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, and other Cuban officials.

FLAVIO BRAVO RECEIVES NICARAGUA'S GUIDO

FL222330 Havana Radio Periodico del Aire in Spanish 2230 GMT 22 Jan 86

[Text] Flavio Bravo, president of the National Assembly of the People's Government [ANPP], today received Clemente Guido, vice president of the National Assembly of the Republic of Nicaragua. The two discussed the positive results of the meeting of the expanded board of directors of the Latin American Parliament, which met recently in Lima, Peru, and which Flavio Bravo attended, representing Cuba.

Guido also expressed interest in diverse aspects of the work done by the Cuban parliament and expressed his satisfaction at the results of his 1-week visit to our country, which will end tomorrow.

U.S. OFFICIALS ACCUSED OF DRUG TRAFFICKING

PA181733 Havana International Service in Spanish 0000 GMT 14 Jan 86

[Station commentary]

[Text] When drug addiction and drug trafficking are mentioned, it would be best for U.S. officials to keep their mouths shut or pretend they didn't hear anything. By contrast, and with ostentatious boldness, the rest of the world is blamed and an attempt is even made to blame Cuba, a nation that maintains a scrupulous attitude toward the vice and widespread illegal markets for it.

A drug trafficker arrested in Cuba when a boat carrying marijuana to the United States accidentally landed on our coasts told MONCADA, the Cuban magazine, about the dirty dealings underway on Yankee territory concerning such illegal activity. The trafficker, who asked not to be identified, said he was carrying 10,000 lbs of marijuana valued at $3.5 million in perfect collusion with drug traffickers living in the United States.

The cargo, he added, originated in Colombia, and he noted that the boat used has a modern communications systems which allows them to know when a coast guard ship is getting closer.

However, he explained, many naval officers are bribed by the drug traffickers, and some of them intentionally change the course of the military ships when they learn about the path of a ship loaded with drugs. He explained that a safe route is that which passes by Haiti, where the Mafia controls a large portion of maritime patrols and drug boats can circulate without any problems.

The U.S. drug trafficker, who is serving time in a Cuban jail, added that thousands of kilograms of drugs are processed at secret laboratories in Miami. He noted that when police seize any of these places, they generally don't report all the narcotics seized, but use part of it to join the illegal business with an open desire to make a profit.

He explained that police chiefs, businessmen, counterrevolutionary leaders, and large Yankee enterpreneurs are involved in the drug business. The level of drug trafficking is such that DC-4's, with a cargo capacity of 7,000 lbs of marijuana, drop their cargo in various places of Florida and, inexplicably, the authorities do not detect the flight of these aircraft or their true intentions.

COMMENTARY VIEWS REAGAN VISIT TO CARIBBEAN

PA211706 Havana International Service in Spanish 0000 GMT 19 Jan 86

["Our America" commentary]

[Text] Like a run-down emperor touring his domain, U.S. President Ronald Reagan will visit Grenada next month. This is the same man who a little over 2 years ago ordered the invasion of that small Caribbean island by thousands of heavily armed troops supported by aircraft and warships. The intention of this visit is not to solve immediately the serious problems that the Yankee invasion created on the island, but to speak briefly with leaders from the eastern Caribbean, a region that Washington is trying to make an important part of its counterrevolutionary strategy on what it calls its southern border. Observers indicate that the main topics at the meeting will be the strengthening of the U.S. warlike presence, greater involvement by the Caribbean states in this counterrevolutionary plan, and, of course, the renewal of promises of economic aid that never comes.

The United States invested $10 million in the creation of a school in Antigua and Barbuda to train Caribbean paramilitary troops who periodically, with the knowledge of several area states, carry out the "Exotic Palm" military maneuvers. In addition, counterinsurgent exercises were recently held in conjunction with Antiguan forces under the name (?"Upward Key"). It is also believed that this meeting in Grenada may be used to pressure governments such as Trinidad-Tobago, Belize, Guyana, and the Bahamas into joining the so-called Regional Security System supported by the White House. These four countries opposed the invasion of Grenada in October 1983.

Reagan will arrive in Grenada in the midst of his Caribbean servants' laments, as they have not benefitted from the Reagan plan for the Caribbean basin. We must say that the $350 million allotted to the plan in question was given mostly to the Honduran and Salvadoran regimes, and the remnants were more than insufficient for the other beneficiaries.

Last May Maria Eugenia Charles, the prime minister of Dominica who supported Reagan when he announced the armed attack on Grenada, travelled to Washington to beg for greater financial support for her country and to complain about high Yankee tariffs on products imported from the eastern Caribbean. Another servant, Grenadian Prime Minister Herbert Blaize, complained in November 1985 that his country could not pay the foreign debt, which had reached $62 million, because it would mean paying out twice as much as the island receives annually from exports. From March 1984, Blaize had said that Grenada needed at least $250 million to reactivate its economy, which had been seriously damaged by the Yankee invasion. One year later, the only response was Washington's and London's promise to provide the meager sum of $40 million.

In Grenada, under the goodness of imperialism, 60 percent of the economically active population is jobless. Education and health, which were free during Maurice Bishop's government, are now a privilege only for those who can pay. Last November at the Miami conference of nations participating in the Yankee Caribbean plan, delegates from Jamaica, Barbados, Dominica, and Saint Lucia had no alternative but to express their dissatisfaction over the program, of which the Salvadoran and Honduran Governments have been the true beneficiaries.

Jamaica, a country that Reagan tried to make the showcase of imperialism in the Caribbean, is sinking helplessly. The island's foreign debt increased by $500 million in 1985, totalling $4 billion, and inflation is between 35 and 40 percent. For Edward Seaga, Reagan's first foreign guest after his inauguration in 1980, the situation is increasingly bleak, to the point where 62 percent of the people believe that the situation has worsened markedly in the past 5 years.

Under this perspective Reagan will visit the eastern Caribbean and especially Grenada, its direct victim in the area. We will see if his Hollywood actor's tricks will help him convince his acolytes that everything is okay.

DOMINICA

GUADELOUPE DELEGATION MEETS WITH CHARLES

FL231520 Bonaire Trans World Radio in English 1130 GMT 23 Jan 86

[Text] An official delegation from Guadeloupe met yesterday with top government officials in Dominica, including Prime Minister Eugenia Charles. This visit comes as large numbers of Dominicans are being deported from Guadeloupe. The delegation was headed by the president of the General Council of Guadeloupe. Talks between the French delegation and Prime Minister Charles centered on relations between the two countries. A Foreign Affairs Ministry spokesman said discussions on the recent state of deportation of Dominicans from Guadeloupe is not on the agenda but would be introduced by Prime Minister Charles. So far, there has been no government statement on the outcome of the discussions.

It is believed that due to the recent bombings in Guadeloupe by pro-independence groups, there are more police patrolling the streets, and this is said to have caused the roundup and deportation of illegal aliens. Government officials estimate that there are over 5,000 Dominicans residing in Guadeloupe, and nearly half this number entered the country illegally.

GRENADA

GRENADIAN VOICE CRITICIZES REAGAN VISIT

FL231636 Bridgetown CANA in English 1539 GMT 23 Jan 86

[Text] St Georges, Jan 23, CANA -- THE GRENADIAN VOICE newspaper has criticised the programme for the visit of United States President Ronald Reagan next month. We do not like the programme, the weekly said in a front page editorial. It particularly objected to Reagan meeting Prime Minister Herbert Blaize at the residence of the governor general where he will also see Caribbean leaders during his four-hour visit on February 20. The voice noted that Blaize also met Vice-President George Bush at the same venue last year.

The prime minister is the executive head of this nation and he must be treated with due dignity. If it is not possible for the prime minister to receive the president in his own office, then let all call on the president at the American Embassy. We are also of the firm opinion that it is most appropriate that Mr Reagan should address a joint session of the houses of parliament his efforts helped to restore and that he should unveil our own national memorial to his fallen men rather than visit the one at the (American-owned) university, the paper said.

Reagan is due to attend a ceremony at a bronze monument erected at the St Georges University School of Medicine in honour of the 19 Americans killed during the 1983 U.S.-led invasion of the island which restored parliamentary democracy here. He will also address Grenadians during a rally at Queens Park, just outside the capital.

INTER-AMERICAN AFFAIRS

NICARAGUA TO HOLD REGIONAL PARTIES MEETING

FL211846 Mexico City NOTIMEX in Spanish 0440 GMT 21 Jan 86

[Text] Managua, 20 Jan (NOTIMEX) -- A Sandinist source has told NOTIMEX that Latin American and Caribbean political parties from different ideological points of view will meet in Nicaragua from 10-12 February to analyze the Central American situation.

The source indicated that up to the moment, all the political parties of the region have been invited so that all Latin American political forces can analyze the Central American problem and propose a peaceful solution. The Sandinist source also reported that the list of participants was not available but that it is expected that several Mexican political parties will attend.

It was reported that the purpose of the conference is to support and recognize the Contadora Group's work.

The plenary meeting of the parties will try to create an awareness that the Central American problem cannot be isolated because any warlike confrontation in the region will have repercussions in the entire continent, said the Sandinist source.

GUYANA

GOVERNMENT READY TO SUBMIT BUDGET FOR 1986

FL231732 Bridgetown CANA in English 1500 GMT 23 Jan 86

[Text] Georgetown, Guyana, Jan 23, CANA -- The Guyana Government will present its 1986 budget on February 14, the first since the ruling People's National Congress (PNC) was returned to power in controversial general elections last month, it has been officially announced.

Informed sources said officials of the state planning secretariat were busy working on the preparation of the document.

Sources said the budget was likely to reflect greater scope for the private sector with emphasis on small business entrepreneurship.

The beleaguered Guyana economy is 80 per cent state-controlled but President Desmond Hoyte has promised a greater role for the business sector.

A senior State Planning Secretariat official said the budget would be a development and living-within-our-means budget. He did not elaborate.

Guyana has a severe shortage of foreign exchange, which has led to a cut-off of funding from various international lending agencies. This is reflected in widespread shortages of goods and industrial spares.